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Cincinnati
City Hall

1933 Cincinnati
Ohio, June

Your Customer...

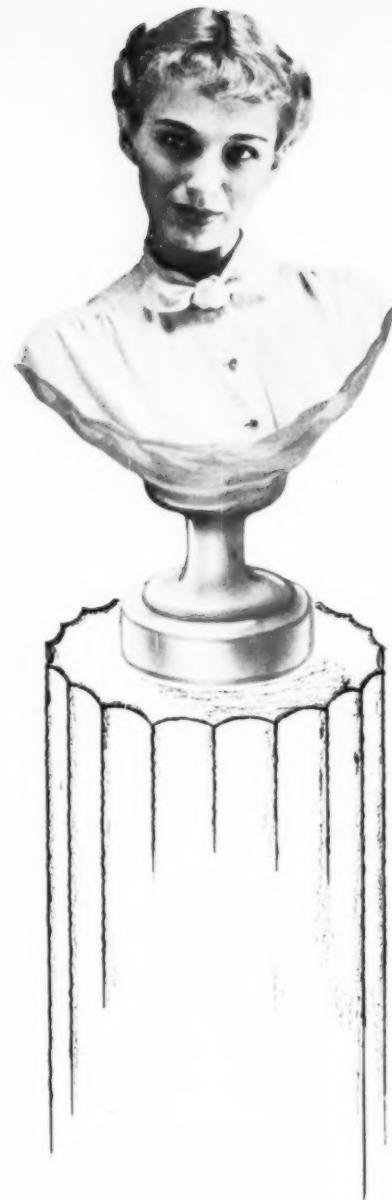
She walks in beauty, when she enters your store. From the moment she comes in, every display, every sign, every act of your sales people is planned to attract her attention.

With all this wooing from buyers and personnel, is your credit department living up to its part of the program?

Today's competitive market calls for a co-ordinated sales effort by all departments. Get an up-to-date *Factbill* report on each old customer, from your local ACB or A credit bureau. Then you can be sure that—

- You won't kill a sale and lose a customer by refusing additional credit to a good risk.
- You have the facts available to tell you what special department promotions will interest each individual.

You'll find this customer courtship more satisfactory than ever, when it's based on a *Factbill* report from your credit bureau.



ASSOCIATED CREDIT BUREAUS OF AMERICA

1218 Olive

The National Retail Credit Association contributes this space monthly as a courtesy to its members of the Associated Credit Bureaus of America.

St. Louis 3, Mo.

NATIONAL RETAIL CREDIT ASSOCIATION



You are cordially invited
to attend the
**36th ANNUAL INTERNATIONAL
CONSUMER CREDIT CONFERENCE**
of the

NATIONAL RETAIL CREDIT ASSOCIATION

ASSOCIATED CREDIT BUREAUS OF AMERICA
CREDIT WOMEN'S BREAKFAST CLUBS OF NORTH AMERICA
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STREAMLINED LETTERS

By WALDO J. MARRA

This book discusses the subject of letter writing as one aspect of salesmanship, and shows how every business letter is a sales letter. It is practical to the extreme, covering actual letter writing problems that a dictator has to confront every day and shows how to handle them efficiently and constructively.

- Why is every business letter a sales letter?
- Do you think your letter through "before" dictating, or "after"?
- Have you a vocabulary equal to the ideas you want to express?
- How do leading retail firms handle their correspondence?
- Do you use "dollars and cents" methods of beginning a letter?
- Do you "circumnavigate" the subject of your letter?
- Do you know when "not" to stop your letters?
- Do your letters carry "eye" appeal?
- How do you say "No" graciously to a customer?
- Are your letters action-compelling?

These and a hundred other questions are answered for you in a clear-cut, interesting manner in this new book.

Another feature is that it can be effectively adapted as the text for an educational course on Streamlined Letters. It is available to credit bureaus and credit associations at a special price in lots of 25 or more for Credit School purposes. Single copies are \$5.00.

A manual prepared exclusively for the instructor is also available at \$3.00. Write the National Office for your free copy of "How to Organize and Conduct Credit Schools."



NATIONAL RETAIL CREDIT ASSOCIATION
SHELL BUILDING

ST. LOUIS 3, MO.



Exterior View of Foley's, Houston, Texas

Cycle Billing Grows with a Great Store



Foley's started their Cycle Billing Department with 22 single tier Cycle-Matic desks; they now have 34, with a capacity of 95,000 accounts. So pleased are they with the results, they recently added 5 double-tier Cycle-Matic desks for their permanent budget accounting.

One glance — and you can see that Foley's, the Federated department store in Houston, is a store built to grow.

And Foley's has been growing, steadily. Today they have twice as many charge customers as in 1946, when they installed Remington Rand Cycle Billing. To handle this doubled volume, however, they need fewer than 50% more clerks.

Foley's installed Cycle Billing to gain these advantages . . . finds them more important each year:

1. Increased good will, better customer service, by reducing to a few seconds waiting time for credit authorization.
2. A much smoother collection routine . . . eliminating entirely the "end-of-month" rush.
3. Greatly improved collections.

Write today for your copy of X 719, illustrated booklet giving the detailed story of a typical Cycle Billing installation. Address Management Controls Reference Library, Room 1254A, 315 Fourth Ave., New York 10, N. Y.

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Please Mention The CREDIT WORLD When Writing to Advertisers

The CREDIT WORLD

OFFICIAL PUBLICATION OF THE NATIONAL RETAIL CREDIT ASSOCIATION

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Official Notice

To All Members of the National
 Retail Credit Association:

You are hereby notified that the 36th Annual International Consumer Credit Conference of the National Retail Credit Association will be held in the city of Cincinnati, Ohio, June 12, 13, 14, and 15, 1950, for the election of officers and four directors at large, and the ratification of directors elected by the respective districts, also the installation of officers and directors and the transaction of such business as may properly come before the meeting.

Officers Whose Terms Expire:

President, R. T. Schatz, Washington Water Power Co., Spokane, Wash.; First Vice President, C. E. Wolfinger, Lit Brothers, Philadelphia, Pa.; Second Vice President, Royce Schnert, The Wichita Eagle, Wichita, Kan., and Third Vice President, F. Wm. Johnson, Neiman-Marcus, Dallas, Texas.

Directors' Terms Expiring in 1950:

The terms of the directors for Districts 8, 9, 10, 11, 12, and 13, and four directors at large expire at the Conference. The directors elected by Districts 8, 9, 10, 11, 12, and 13, will be ratified and installed for two year terms and the four directors at large will be elected and installed for two year terms.

L. S. CROWDER
 General Manager-Treasurer

Attest:
 ARTHUR H. HERT
 Secretary

HEAR NO EVIL



Although it's wise to avoid malicious gossip, only a monkey shuts his ears to reality. And cancer is a grim reality. We must open our ears to the life-saving truths which will teach us and our neighbors the safeguards against cancer. For humanity's sake—and our own preservation—we must support the crusade against this mortal enemy of man.

**GIVE TO
 CONQUER CANCER**

**AMERICAN
 CANCER
 SOCIETY**

!!! 5,000 SATISFIED USERS CAN'T BE WRONG !!!
NOW—Get the Book All Collection Men Are Acclaiming
► For 10-DAY EXAMINATION ◄

SKIP TRACING

Procedure for the individual skip tracer.
 Procedure for the firms or volume business.
 Fourteen different ways to locate a skip without a registered letter. A letter to former employers that will bring phenomenal results.
 Eleven stories of actual cases where the skip has been located, and the account collected through these skip tracing and collection methods.
 How, when and where to send registered letters.
 Ten ways of locating skips by registered letters.
 Analyzing returned registered letters.
 How to find the job.
 Tracing the guarantor.
 Tracing the guarantor's job.
 A concrete case.

"HOW TO LOCATE SKIPS AND COLLECT"

by A. M. TANNRATH

An Authority on Credits, Collections
and Skip Tracing

If you have been hesitant about sending for this much needed book, take advantage of this outstanding offer. If after 10 DAYS you are not convinced it is the most valuable collection book ever written, return it **\$5.00** and your money plus postage will be refunded.

\$5.50 in Canada

Collecting Old Accounts
 Installment Credits
 Current Collections
 Merchandise in Storage
 Bad Check Law
 Conditional Sales Law
 Bankruptcy Law
 Supplementary Proceedings
 Intra and Inter-State
 Commerce Laws
 Canon of Commercial Ethics
 Digest of Commercial Laws
 For All States
 How to Forward Claims
 For Collection

THESE EXCERPTS, UNSOLICITED TESTIMONIALS AND REORDERS FROM SATISFIED USERS ARE CONVINCING PROOF AS TO THE MERIT AND VALUE OF THIS BOOK. YOU CANNOT AFFORD TO BE WITHOUT IT . . . ONE NEW IDEA MAY MAKE OR SAVE YOU THE PRICE MANY TIMES OVER.

160 BOOKS—We have under our management we believe the third largest chain of finance offices in America. We placed one or more copies of your book, "How To Locate Skips and Collect," in each of these offices. The response from our personnel has been most gratifying. We know without question that in the offices where these books have been read and the suggestions put into effect, an improvement has been shown in collections and many thousands of dollars worth of skip accounts have been located through the direct result of your book. "How To Locate Skips and Collect" should be an integral part of any credit concern, the same as a typewriter, adding machine or any other furniture or fixture.

—Miller Management Company, Nashville, Tenn.

"Each chapter is a course in itself, however, I have particularly applied your methods as outlined in Chapter Four, and the results I have already in tracing some of my "closed nile" skips has been overwhelming and profitable, not only from the standpoint of a completely closed case, but from the letters and comments from my clients in bringing their accounts to a satisfactory close, after having written them in some cases that I was unable to, as all my efforts were to no avail. Like the old adage, 'Manna from Heaven.'"

—G. Nelson, Nevada Recovery Bureau, Las Vegas, Nevada.

14 COPIES—

"We are placing our order for fourteen copies of the above book to be mailed to our various offices as shown on the attached sheet."

—R. D. George, Securities Credit Corp., Denver, Colo.

"Just a short note to tell you how much I value the skip tracing information I found in your book, 'How To Locate Skips and Collect.'

"This is the golden key that unlocks thousands of dollars in accounts that have defied every known skip tracing procedure. We have used your methods on a number of accounts that date back over six years, and our results have been phenomenal. Now that I understand how this system can bring in dead accounts such as we used it on, I'm sure we will never have the batch of skips pile up as heretofore, as certainly, prompt use of the system will work even greater wonders on current skips."

—Steller's, Milwaukee, Wisconsin.

"I wish to express my sincere appreciation to you for the help derived from your wonderful book, 'How to Locate Skips and Collect.'

"The methods which you have suggested work wonderfully in locating skips with the minimum of cost. Formerly I worked mostly by telephone and personal contact."

—Julian M. Berkman, National Credit Reporter, Chicago, Ill.

"I have just finished reading your book, 'How To Locate Skips and Collect,' and I think it is undoubtedly the most logical book ever published on skip tracing. I have been in the finance business for a number of years, but some of the ideas expressed in your book were new to me, and were marvelous samples of excellent deductions and logic. I wish to compliment you on a most interesting and intelligently written book on this subject and have already recommended your book to a number of my friends."

—Max Turk, American Loan Co., Bluefield, W. Va.

"As special a book as I've seen this year, aimed at one particular audience and fitting that audience like a glove, is 'How To Locate Skips and Collect,' by A. M. Tannrath. It's put out at \$5, and well worth the price, I'm sure, to those who need it."

—Joseph Henry Jackson, San Francisco Chronicle.

HARD BOUND BOOK—270 PAGES 6" x 9"

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Please send me _____ copy(ies) of HOW TO LOCATE SKIPS AND COLLECT. I understand that if I am not completely satisfied, I can return book in 10 days for complete refund.

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FIRM NAME and ADDRESS _____

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CW-6

"You've Gotta CROW to Let 'em Know"

A transcript of the forum on consumer credit advertising at the 1950 Business Credit Forum of District Six of the National Retail Credit Association held at the Hotel Radisson, Minneapolis, Minn., March 26, 27, 28, 1950.

Panel

Fred Fadell, *Moderator*, Fred Fadell & Associates, Minneapolis, Minn.

Alan Hales, *Credit Manager*, Powers Dry Goods Co., Minneapolis, Minn.

Clarence Pierson, *Credit Manager*, *Minneapolis Star and Tribune*, Minneapolis, Minn.

Melvin E. Drake, *Manager*, Radio Station WDGY, Minneapolis, Minn.

Mrs. A. N. Satterlee, *Vice President and Manager*, Consumer Interests of Minneapolis and *Chairman*, Consumer Relations, Minnesota Federation of Women's Clubs.

MR. FADELL . . .

With the aid of our panel, we will attempt to explain how the Retail Credit Association of Minneapolis has conducted, for more than thirty years, a successful customer and client credit education program with the aid of advertising and public relations. It is our intention and desire that this forum will give you information that can be profitably applied in your own credit areas . . . or if nothing more, we hope that this discussion will act as a stimulant in helping you develop or create your own original and effective credit education methods.

Each of our panel members will discuss their respective subjects only briefly because of the short time allowed for this presentation. However, upon the conclusion of their discussions, the last few minutes of this half-hour forum will be open for questions from the floor. And now our first panel member . . . Alan Hales, Chairman of the Advertising Committee for the Retail Credit Association of Minneapolis. Mr. Hales.

MR. HALES . . .

As Mr. Fadell mentioned, the credit education program in Minneapolis began more than thirty years ago. The original program . . . and it was a modest one . . . was, quite frankly, copied from a program then currently used by the credit association at Nashville, Tennessee. It was coddled . . . pushed . . . protected . . . and finally sparked to life by the first advertising chairman, Milt Solon, Credit Manager for the Dayton Company here in Minneapolis. Under his direction, this campaign resulted in an almost immediate acceleration in the prompt payment of charge accounts and contracts. It was with his help and his guidance that this program has continued through the years until today it is an effective and an accepted part of the Minneapolis Retail Credit picture.

The education program has one basic purpose. That of firmly implanting in the minds of all credit buyers

the need for prompt payment of accounts. "pay promptly", hammered home again and again through newspaper advertisements, publicity releases and radio has done a good job in Minneapolis.

One of the biggest problems facing a credit association contemplating a continuing educational campaign . . . is fund-raising! Various methods for raising funds have been employed by our organization and it is through our experience . . . our trial and error . . . with these methods that we have discovered the only effective way to raise credit education money . . . and that is just plain old-fashioned personal solicitation. And when this personal solicitation is backed by good, sound information right down on black and white that clearly shows the prospective contributor just how and where his contribution will be used and shows him, too, how that contribution is going to help him. Then your solicitation job is just that much easier.

This method has been employed in Minneapolis in this manner: We have coupled, with our personal solicitations, an effective direct mail piece which is sent to prospective contributors who are members of the Retail Credit Association of Minneapolis. The booklet tells how Minneapolis credit grantors benefit from credit advertising. It illustrates graphically the types of ads and other educational material to be employed in proposed campaigns. It illustrates highway signs, new account letters, educational panels and news stories. It also encloses a postage-paid reply card authorizing the Retail Credit Association of Minneapolis to bill the contributor for a pledged amount each month.

Let me stress this:—It is important, for the sake of your fund, to continue to advise these contributors . . . even after their contributions have been received . . . through letters and ad proofs and the like . . . of how their campaign is going. It is up to you to keep them sold. Do a good public relations job with your contributors by keeping them informed and your fund-raising job will be less of a headache.

I might add that our Department Store Group, which naturally represents the largest contributors toward this fund, comprise our advertising committee. Because of this we are fortunate in that we are able to keep our larger contributors constantly informed as to the progress of their educational campaign.

MR. FADELL . . .

Now . . . representing the newspapers . . . Clarence Pierson, Credit Manager for the *Minneapolis Star and Tribune*. Mr. Pierson.

MR. PIERSON . . .

Here in Minneapolis we have found newspapers to be an effective medium in the dissemination of our credit story. Through publicity releases and series of advertisements during the Fall, Winter and Spring months, we are able to do a consistent job of pounding away with our "Pay Promptly" message. To add interest-getting value to our ads and to help build reader-recognition, we have devised a simple, yet effective credit character . . . an animated Yellow Book that appears in most of our advertising.

The copy in our ads is short. And it is short for a reason! We have only one thing to say, and that is . . . PAY PROMPTLY . . . and that is where we want the emphasis! These ads are scheduled once weekly during the Fall, Winter and Spring seasons.

When considering newspapers as a medium to carry your credit message, remember this:—MAKE THE MOST OF THEM AS A VEHICLE FOR YOUR PUBLICITY RELEASES. Through intelligent and well-founded publicity releases, attempt to establish your local credit association and association secretary as legitimate sources of business information. Once accomplished, you have established something your money can't buy. You have an authoritative vehicle for your credit story. You are adding prestige to your association. You are elevating your profession! In pursuing this objective in Minneapolis, we have been able to accomplish exactly that. We find that reporters and business editors are turning to our association secretary for background material, statements for business forecasts, information for general business articles . . . in other words, we have succeeded in establishing our association and association secretary as reliable sources of business information.

Again . . . develop your publicity and public relations techniques. Use them for all they are worth . . . but be careful! Selfishly constructed releases can hurt badly! News will be printed. But just a plain old "blurb" goes into the waste basket. And as far as your newspaper is concerned, your association's reputation goes right along with it.

For the greatest effect from your newspaper space investment, do this: (1) Decide what you want to accomplish. In other words, what is your goal. (2) Decide what you want to say, then (3) Say it consistently in plain, down-to-earth language. And do not forget to appeal to the self-interest of the credit buyer. Tell them what paying promptly will do for them.

When your campaign has accomplished the desired results, or looks like it is going to, don't sit back and say, "Well, the job's done. Now we can take it easy." If you do, you are in for a jolt! When you get those collection percentages down to a nice, comfortable and profitable figure with the help of your campaign, then keep on advertising. Remember, it is far less expensive to maintain that "Pay Promptly" attitude that you have pounded into the minds of your credit buyers than it is to have to start from scratch and build it all over again. Folks have a tendency to forget so do not give them a chance!

MR. FADELL . . .

Representing radio and radio's place in a credit education campaign is Harland Horness, Assistant Production Manager and Continuity Chief, of WDGY

substituting for Mr. Melvin E. Drake, Manager of Radio Station WDGY and President of the Minnesota Association of Broadcasters. Mr. Horness.

MR. HORNESS . . .

For simplicity and the sake of our discussion, let's break radio time down into two classes (1) Sustaining, and (2) Paid. Both have a place in a well-constructed educational campaign. First, we will see what possibilities there are in sustaining time. I think you will find that most of your community radio stations are anxious to participate in worth-while educational programs of public interest. Of course, your first concern will be: How do we go about lining up sustaining radio time?

Probably the best way to go about it is to sit down and draw up some sort of plan to present to your radio station. It might be a plan for a panel discussion. It might be a series of talks on the various phases of credit of interest to the credit buyer. It might be credit manager interviews on "interview" type shows. Whatever it might be, when you have your plan ready for presentation, contact the general manager, or preferably the program director for the station. Discuss your plan with him. If your idea has merit . . . you are all set. If it has not, do the next best thing. Ask the program director for suggestions. He will be glad to help you if your proposal is basically sound.

Your reasons for wanting this sustaining time are selfishly motivated and that is not so bad. It is not so bad if what you have to say is of public service value. I believe you will find, in conducting a credit education campaign, that paid radio time, and I am thinking of spot announcements or fifteen- and thirty-second station breaks, can produce highly satisfactory results. Especially is this true when you want to drive home forcibly one specific point. For instance . . . "Pay Promptly." Here you can devote your time to one, specific, *hardselling thought* and you can do it over and over and over again until "Pay Promptly" and *good logical reasons* for paying promptly are firmly implanted in the minds of your listeners.

Here, as in other phases of your advertising campaign, it might be wise to employ professional help. If your budget won't allow you to engage outside guidance, then see your radio station. Their staff will give you the help you need in preparing effective "Pay Promptly" commercials. And here is a point I would like to stress. Do not go into radio advertising, or any advertising for a campaign of this type, with the idea that you will just try a few commercials or ads to see how they work out. They won't. It is just like buying a couple of bricks to see how your new house will look. Give your series a chance to prove their effectiveness. Generally speaking, as your series of commercials continue, the effectiveness of each succeeding commercial grows accordingly. In other words, the effectiveness of your 13th or 26th commercial is going to be considerably greater than your first or your second or your third.

MR. FADELL . . .

Our panel members have discussed newspaper and radio advertising and publicity. These, we feel, are vital to a successful educational campaign, but we should not

(Turn to "You've Gotta Crawl," page 11.)

Let's Look at Conference Plans

GROUP PROGRAMS

General Group Chairman, Winston Clark, John Shillito Co., Cincinnati, Ohio

IF YOU HAVE not already decided to come to Cincinnati, Ohio, June 12-15, to attend our 36th Annual International Consumer Credit Conference, the following program of the group conferences should make you decide right now that you cannot afford to miss this important part of our annual Conference. Attendance at the particular group meeting in which you are interested will give you intelligent opinions and answers to the problems that are facing you today, as well as those which you will encounter in the future. A Credit Bureau Manager will appear before each group on Wednesday afternoon and make a ten minute talk on the subject "How to Get the Most Out of Your Credit Bureau." He will then lead a discussion for another ten minutes. These group meetings will be held on Tuesday, Wednesday and Thursday afternoons from 2:00 P.M. to 5:00 P.M.

Banking and Finance

Chairman—O. W. Frieberg, American Trust Co., San Francisco, Calif.

Co-Chairmen—T. B. Reynolds, Second National Bank, Cincinnati, Ohio.

Stella Murphy, Citizens Savings and Loan Co., Chattanooga, Tenn.

Some of the questions to be discussed are:

1. In a period of falling prices many a loss can be averted by persuading the customer to complete payment of his obligation rather than permitting the article to be repossessed. How can this be accomplished?
2. Have you observed any change in the type of applicants for credit accommodations?
3. What are considered sound credit terms on new cars, used cars, refrigerators and deep freeze boxes, television sets and radios, washers, ironers, water heaters, furniture, floor coverings and draperies?
4. Why is it necessary to obtain the total indebtedness of an applicant for credit when purchasing an automobile or other instalment merchandise?
5. What are the results of radio spot announcements? What is the best time for such spots? Who writes the copy? What do they cost?
6. What are the results of pay-promptly campaigns? News-paper advertisements? Billboards? How are such campaigns financed? Who organizes them?

Cycle Billing Forum

Chairman—Dean Ashby, J. L. Brandeis & Sons, Omaha, Neb.

In response to insistent demand we are again planning an evening session devoted entirely to Cycle Billing. This Forum was characterized by many of those attend-

ing last year as of especial interest and benefit. Cycle Billing has now been in operation for a sufficient time to permit critical evaluation of its advantages and procedures. Leaders in this modern form of billing have been invited to give details of systems and to discuss the various problems that have arisen and disclose their solution.

The Cycle Billing Forum will be on Tuesday evening from 7:45 P.M. to 10:00 P.M. Members contemplating installation of new billing systems or planning improvements are urged to attend this most valuable feature of the Conference. Several members last year revealed the fact that the information obtained at this Forum was instrumental in enabling them to effect considerable savings in credit department cost. Be sure to see the program for details of the Cycle Billing Forum and plan to attend.

Dairy and Baking

Chairman—Carl F. Peck, O. A. Dean Dairy Co., Cleveland Heights, Ohio.

Co-Chairman—Lewis B. Skinner, W. H. Roberts and Sons, Inc., Indianapolis, Ind.

Some of the questions to be discussed are:

1. What do you believe is the best collection method: deliverymen, personal calls by collector, or letters?
2. Have you changed your collection letters, forms or procedure during the past year?
3. What can we of the credit department do to aid in selling more dairy products?
4. What is your credit policy in extending credit to those who may be out of work for some time?
5. Do you attempt to control the purchase on an account that is past due?
6. Did the recent G.I. insurance checks prove of any marked value in payment of accumulated indebtedness and did they reflect in increased food purchases?
7. Are most of your customers on a weekly or monthly basis?
8. Is there any difficulty in determining the credit responsibility of renters living in apartment houses and housing projects?
9. Is there any advantage in using coupons in place of cash? What type of coupon do you use? What has been your experience?

Department, Apparel and Shoe Stores

Chairman—F. Wm. Johnson, Neiman-Marcus, Dallas, Texas.

Co-Chairmen—C. Glenn Evans, Halle Brothers, Cleveland, Ohio.

F. G. Konersman, Potter Shoe Co., Cincinnati, Ohio.
Mary Altizer, S. H. Heironimus Co., Roanoke, Va.

Here are some of the subjects on which outstanding credit executives will give ten-minute talks:

"Training the Credit Office Personnel Is the Responsibility of the Credit Executive."

"Collections—A Major Problem."

"Meeting Competition Intelligently Through Education of Personnel, More Adequate Credit Information and Closer Customer Contacts."

"What Is the Average Monthly Purchase Per Account and How Is It Figured?"

"How I Decline an Application for Credit and Retain the Customer's Good Will."

"Promoting Credit Sales in a Buyer's Market."

"The Importance of Credit Department Operating Costs and Budgeting."

"The Extension and Control of Credit."

Some of the questions to be discussed are:

1. How do you get the additional necessary information on the applications taken in other places than credit offices?
2. What is the most efficient and rapid authorization system?
3. Has anyone effected any reduction in collection costs by using printed notices, stickers, inserts or other means?
4. When is an account considered inactive?
5. Do credit managers feel that a definite amount should be allocated in the budget for credit sales promotion? Who determines this amount?
6. Is this a good time to promote credit sales extensively?
7. Who assumes the responsibility for training credit department personnel?
8. What is the best method of inducting a new employee into the department?
9. Is there a special type of person who is better at interviewing than other credit office jobs?
10. Is the practice of charging for check cashing increasing?

Furniture, Musical Instruments and Electrical Appliances

Chairman—Eldon L. Taylor, Glen Bros. Music Co., Salt Lake City, Utah.

Co-Chairmen—A. B. Hunter, The Rudolph Wurlitzer Co., Chicago, Ill.

E. M. Steffensen, Grand Street Furniture Co., Helena, Mont.

Some of the questions to be discussed are:

1. What are sound credit terms on household furniture, refrigerators, radios, washing machines, etc.?
2. How can credit sales be promoted without resorting to smaller down payments and longer terms?
3. Do you encourage add-ons to present instalment accounts? Are old carrying charges cancelled and new charges added on the new account?
4. What type of add-on contracts are used? What carrying charge rated are used?
5. Do you use Colvelopes for collection notices? If not, do you enclose a return envelope with collection notices that are sent out?
6. Is it desirable to file chattel mortgages and conditional sales contracts? Does filing warrant expense involved?
7. Do you furnish the customer with copy of contract?
8. Do you arrange for payments beginning from date of sale or date of delivery?
9. What sales training programs are used to emphasize the importance to the sales staff of encouraging the customer to take advantage of the store's facilities?

Hospitals and Professional

Chairman—A. T. Sutherland, Madison General Hospital, Madison, Wis.

Co-Chairmen—Dorothy E. Higginson, Martin O. Wallace, M.D., Duluth, Minn.

Frank Lauran, Rhode Island Hospital, Providence, R. I.

R. A. Swink, Doctors Service Bureau, Cincinnati, Ohio.

Some of the questions to be discussed are:

1. What are the most effective methods of billing and collecting medical accounts?
2. How are small accounts of outpatients handled?
3. What are the latest plans in hospitalization and other group medical insurance?
4. What methods do you use to secure advance payments if patients are to stay more than a week?
5. How do you ascertain old age assistance and relief cases before unauthorized work is done?
6. Should physicians and surgeons use a special credit report to determine fees for unusual cases?
7. What office systems are being used in clinics of moderate size?
8. Do you discuss financial arrangements with your patients while they are in the office?
9. What is the best system for locating case histories quickly?
10. Is it possible to maintain a uniform credit policy and maintain good public relations?

Hotels

Chairman—A. J. Sterman, Thomas Emery's Sons Inc., Cincinnati, Ohio.

Some of the questions to be discussed are:

1. What are the trends in hotel credit granting?
2. Are fraudulent checks increasing?
3. What measures do you take to prevent losses?
4. Do you find hotel credit cards useful?
5. Do guests usually carry credit cards?
6. What methods can the credit department follow to secure new business?
7. Has there been any change in credit office employee working hours?
8. What are some of the present-day problems in the hotel business?

Ice, Coal, Fuel Oil, Hardware, Building Materials and Food Dealers

Chairman—V. E. Rasmussen, Evergreen Cemetery Co. of Seattle, Seattle, Wash.

Co-Chairman—Mrs. Dorothe Bolte, Lyons Brothers Lumber and Fuel Co., Joliet, Ill.

Some of the questions to be discussed are:

1. What terms are now being offered on fuel budget accounts?
2. What procedure is followed when customers on budget accounts order more coal than estimated at the beginning of the season?
3. Are summer sales declining? What is being done about this?
4. What down payment is required on a fill-up order during the summer months and what is the maximum time allowed to pay the balance?
5. Have you a problem with drivers leaving C.O.D. deliveries without authority? What action is taken to collect C.O.D.'s?
6. Do you feel that more complete credit investigations are necessary now that collections are becoming slower?
7. Is the overbought customer more difficult to collect from than the slow-pay customer who has been extended an equal amount of credit?
8. Is it desirable to accept compromise settlements on P & L accounts?
9. Should all applicants be made to call at the credit office and sign applications?
10. What discount do you allow employees? Do you deduct from salary, place a limit on the account and how soon should an employee be allowed to have an account?

Jewelry

Chairman—A. S. Kerby, The Hardy & Hayes Co., Pittsburgh, Pa.

Co-Chairman—Marie Nugent, Olson Jewelry Co., Fort Dodge, Ia.

Some of the questions to be discussed are:

1. Is it advisable to obtain a credit bureau report on a new customer who requests merchandise on memo charge?
2. What are your maximum terms without carrying charge?
3. Do you compare your credit department costs with other jewelry stores?
4. What is the best collection media: letters, stickers, telephone, or outside collectors?
5. What has been your experience with accounts for minors? Do you require guarantors?
6. Do you believe in a liberal credit policy and a strict collection followup, or a selective credit policy and an easy collection procedure? Which is the best for the store? Which makes for better customer relations?
7. Do you have different methods of collection procedures with customers of high responsibility?
8. Do you cash checks for customers? What has been your experience? Do you make a charge for cashing checks?
9. Should collections be followed more closely than in previous years?
10. Is it advisable to age accounts receivable, and how often?

Newspapers and Publishers

Chairman—F. J. Mulling, *Savannah Morning News*, Savannah, Ga.

Co-Chairman—Royce Sehnert, *Wichita Eagle*, Wichita, Kan.

Some of the questions to be discussed are:

1. When do you use the telephone in collection work?
2. If case reminder messages are to be placed on statements, which would you prefer: collection stickers, rubber stamps or handwriting? Why? Any other method?
3. Should credit applications be scrutinized more closely and limits watched more carefully from now on?
4. What are the best and most productive methods of contacting credit prospects: letter, telephone, or personal call by a representative?
5. Do you charge interest on past-due accounts? What is the rate and when do you start?
6. Do you clear all your applications through the Credit Bureau?
7. What is the best way to decline accounts: verbally, letter or telephone?
8. Do you have need to require financial statements and are such statements of value? What factors do you look for in these statements?
9. Are you starting the collection followup earlier than you were a year ago? When do you start?

Petroleum

Chairman—J. D. Hartup, Standard Oil Company of California, Spokane, Wash.

Some of the questions to be discussed are:

1. What is the importance of financial statements? What means are taken to obtain complete and accurate statements?
2. What ways and means are being taken by credit granters to educate customers on credit terms? Are credit granters endeavoring to sell commodities on terms of a set date and amount, or on terms made to suit the ability of the customer to pay?
3. What method is used to notify reporting agencies of slow-paying and bad-debt accounts?
4. Are national charge cards required to be sent to the office within the prescribed time? How are transmittals to division offices, subsidiaries and intercharge agreement accounts handled?
5. What routine reminders and letters are used on past-due accounts? Do you use a collection agency or do you have a similar collection section within your credit department or company? If handled through your credit department what are results compared with handling through outside collection agencies?

Public Utilities

Chairman—Harry S. Hahn, The Ohio Fuel Gas Co., Columbus, Ohio.

Co-Chairmen—C. A. Burns, Union Electric Co. of Missouri, St. Louis, Mo.

Ray Bachus, Cincinnati Gas and Electric Co., Cincinnati, Ohio.

Some of the questions to be discussed are:

1. To what extent have appliance instalment terms liberalized since the end of Regulation W?
2. Have many utilities who do not sell appliances adopted the policy of financing the instalment paper of dealers? On what basis?
3. Is there a tendency to offer terms of three years or longer on certain types of appliances? Is such a policy sound if a down payment of at least 10 per cent is required?
4. Do public utilities use the services of credit bureaus before accepting instalment sales?
5. In general do public utilities offer longer or different terms than other appliance dealers?
6. Do you prefer an application to be taken in the credit office?
7. Is it desirable to have the customer fill out the credit application?
8. Do you have a pre-determined collection percentage goal and how is this arrived at?
9. Who assumes responsibility for training credit department personnel?
10. Do you have a credit office manual? A job description chart?

Three Credit Forums

Changing economic conditions confer special significance on the three Credit Forums planned for the morning sessions of the Conference. At these Credit Forums problems of particular interest to retail credit granters are discussed. Outstanding leaders in the field of credit management will bring brief and timely messages concerning the perplexities that confront us at this time. Credit Forums provide a realistic approach to the matters on which credit granters need to be informed.

Entertainment at Cincinnati

Entertainment plans are now being completed for our 36th Annual International Consumer Credit Conference to be held in Cincinnati, Ohio, June 12-15, 1950. On Monday evening before the Conference convenes a get together party will be held and this party will be one of the highlights of the entertainment. On Thursday night, preparations are being made to feed and entertain 1,500 delegates. This annual banquet will be held in what is described as one of the most beautiful ballrooms in any hotel in America, the Hall of Mirrors. A well-known orchestra, now featured on one of the National Television programs, will play for the floor show and dance.

The wives of the delegates will be entertained by a tour of the city which will include the Ohio River waterfront, the site of Ft. Washington. They will see houses built prior to the Civil War, which are one story in front and four stories in the rear. They will also see the famous Taft Museum, Eden Park, and take a trip along the Ohio River to Coney Island, one of America's finest amusement parks. They will be entertained at the park by a luncheon at Moonlite Gardens and will be addressed by a Power's model. The wives will also be guests at the Ruth Lyon's Breakfast Broadcast and will be given a complete tour of the Terrace Plaza Hotel, which is described as America's most modern hotel. ★★★

Outstanding Speakers

RALPH L. LEE, nationally famous speaker will address our morning session at 11:00 A.M., Thursday, June 15, on the subject "People As They Come and Are." He is a member of the Public Relations Department of General Motors, Detroit, Mich. He is the author of *Man to Man on the Job*. In addition he has been highly successful in the fields of engineering, sales and industrial research. One of his first jobs was in the inventions and engineering divisions of the National Cash Register Co. Later he went with Frigidaire where, in addition to aiding engineering developments, he gave much study to sales promotion work. Mr. Lee was with the Jam Handy Picture Service from 1930 to 1935, when he rejoined General Motors on its Customer Research Staff.



H. W. ADKINS will be one of our outstanding speakers on our morning program Tuesday, June 13, at 11:00 A.M. His subject will be "It's Up to You." He is at present executive Vice President and General Manager, Yahr-Lange, Inc., Milwaukee, Wisc. He is Past President of the Mississippi Valley Wholesale Druggists Association;

member of National Speakers Bureau of Committee for Economic Development; formerly Vice President, Gillette Safety Razor Corp., Boston, Mass.; formerly executive Vice President, Druggists Supply Corp., New York, N. Y., and now a Director; spent twelve years with Ernst & Ernst, Certified Public Accounts, as a tax expert and auditor; a director of Milwaukee Sales Managers' Association; a member of Industrial Leaders Conference of the National Association of Manufacturers, New York, N. Y.; and an Associate Director of the Wisconsin Heart Association.



"You've Gotta Crow"

(Beginning on page 6.)

overlook the personal touch; talks before civic organizations. Your association officers can be a potent force in spreading your credit story by appearing before such interested groups as PTA's, the various service and luncheon clubs and chambers of commerce.

Another medium we should not forget in conducting an effective campaign is the educational pamphlet. Minneapolis has found the pamphlet a highly successful instrument in the dissemination of credit education information. Set forth your credit story in clear, concise, easy to understand language, free of trade jargon. Reproduce it in pamphlet form, then distribute to schools, clubs, publications and every other worth-while source you can think of and you are paving the way to better relations with your credit customers. We recommend that you also make inquiry to the National Retail Credit Association as to what they have made available for your possible use. You will find that the national office can furnish you with some splendid spot announcements and mats of newspaper ads that are ready for insertion. This will save you much time and expense. If your local conditions are such that you need to prepare and publish your own type of booklet, then if you have the money in your fund go ahead and do so. But why not take a look at the NRCA's booklet, *The Good Things in Life, on Credit?* Practically all areas can use this pamphlet.

Finally, do not miss an opportunity to help elevate your profession. For example, the Minneapolis association has been sponsoring evening classes in credit. These classes were designed to aid the newcomer to the credit field too, as refresher courses for some of the more experienced credit people. There are opportunities everywhere to boost your profession and to create a better understanding of credit and its obligations.

If you have any further questions on Minneapolis' retail credit education campaign or if you would like information about the campaigns past and present, I suggest that you address your inquiries to the Advertising Committee, Retail Credit Association of Minneapolis and we will do our very best to give you what help we can.

Registration Blank

Cincinnati, Ohio, June 12-15, 1950

Registration fee \$12.50 for delegates and \$7.50 for wives and members of the families of delegates.

Name _____

Firm _____

City & State _____

Will attend sessions of _____ Group _____

Date and Time of Arrival _____

My check is enclosed for \$_____

Make checks payable to the Associated Retail Credit Grantors of Cincinnati and mail to Credit Bureau of Cincinnati, 26 East 6th Street, Cincinnati 2, Ohio.



Credit Women's Breakfast Clubs of North America

TWELFTH ANNUAL CONFERENCE

Hotel Netherland Plaza, Cincinnati, Ohio, June 11-15, 1950



Mrs. Pat Hughes
President
Birmingham, Ala.



Francie Rowe
First Vice-President
Washington, D. C.



Mrs. Lois Huey
Second Vice-President
Austin, Texas

Mrs. Muriel Gallagher
Treasurer
Albuquerque, N. M.

Program

Sunday, June 11 . . .

- 12:30 P.M.—PRE-CONFERENCE BOARD MEETING,
AND LUNCHEON, *Fourth Floor*.
7:00 P.M.—ANNUAL BUSINESS MEETING, *Pavilion Caprice*.

Monday, June 12 . . .

- 8:00 A.M.—ANNUAL BREAKFAST, *Pavilion Caprice*.
8:00 P.M.—OVER THE RHINE PARTY, *Pavilion Caprice*.



Elizabeth M. Lynch
Recording Secretary
Boston, Mass.

Tuesday, June 13 . . .

- 9:00 A.M.—GENERAL SESSIONS, *Hall of Mirrors*.
2:00 P.M.—GROUP MEETINGS, *Fourth Floor*.
6:30 P.M.—BUSINESS MEETING AND DINNER,
Pavilion Caprice.

Wednesday, June 14 . . .

- 9:00 A.M.—GENERAL SESSIONS, *Hall of Mirrors*.
2:00 P.M.—GROUP MEETINGS, *Fourth Floor*.
7:00 P.M.—CONEY ISLAND NIGHT.



Mrs. Cherry Branyon
Corr. Secretary
Birmingham, Ala.

Thursday, June 15 . . .

- 9:00 A.M.—GENERAL SESSIONS, *Hall of Mirrors*.
9:45 A.M.—AWARDS AND INTRODUCTION OF NEW
OFFICERS, *Hall of Mirrors*.
12:30 P.M.—POST-CONFERENCE BOARD MEETING,
Fourth Floor.
2:00 P.M.—GROUP MEETINGS, *Fourth Floor*.
7:00 P.M.—GRAND BANQUET AND DANCE, *Hall
of Mirrors*.



Margaret Welch
Financial Secretary
Council Bluffs, Iowa

Mrs. Thelma Holloway
Historian
Phoenix, Ariz.

"... and Faith!"

G. A. SANDBERG, Secretary, Phillipi-Murphy Equipment Co., Minneapolis, Minn.

CHARACTER, capacity and capital have been drilled into the credit executive so insistently that he has come to accept them without question and without thought that they might have flexibility. There must have been occasions and there will likely be further occasions in the lives of all of us as we go about our daily routine of passing judgment on credit applications when a little merited flexibility could open up vast possibilities for profit and for that little publicized function of ours, the building of citizens.

Whether we realize it or not, one of the functions is that of building citizens and the extent to which we perform that function depends entirely on each of us as an individual. Some of us are just credit granters and collectors. But those of us who take time to counsel the credit seeker whose history and credit record is not of the highest caliber and to help him to re-establish himself or to guide the young person who is applying for his first credit account, we are in a small way, builders or moulders of good citizens and performing a community service.

Suppose one of the C's is missing? Is it, after all, so important? Unquestionably character is certainly all important. We cannot do without it for it is the underlying basis on which the other two are built. Capacity is next in importance for in conjunction with character it is what spells the difference between success and failure in a man's life or his business. Capital however is the least important of the three and although desirable in a credit applicant, under many circumstances the lack of it need not be of any great concern.

When either capacity or capital is missing, or partially missing, it must be replaced with another important quality and that quality is faith on the part of the applicant in himself and in his God and faith on the part of the credit executive in the applicant and in the applicant's own faith. Capacity can be replaced with potential capacity and faith while capital can be entirely replaced with faith. I do not suggest that you should cast aside all your popular precepts and proceed blindly on faith alone. But I do suggest a little modification in special instances might be in order, mixed with a little horse sense, of course. Here is one of my own experiences which fully illustrates this line of reasoning:

At the close of the prohibition era, a man whom I shall call John, came to me as credit manager of a large furniture store and told me he had resigned his position as manager of a large hotel as he would not work where liquor was served and this hotel was now entering that field. It was his desire to enter the hotel business but he lacked sufficient capital to purchase or to build and furnish one. Each place he applied for credit he was refused, being told that with so many new hotels entering the field, it was not likely a hotel could be operated at a profit if the sale of liquor was not included in the service.

I shall never forget him as he sat on the other side of my desk, as he was a man about six feet two weighing 275 pounds. He said, "Mr. Sandberg, I feel so strongly

that God does not want me to handle liquor or be where it is served, that even though I fail because of my stand, I will say it is God's will." Tears coursed down his cheeks as he spoke. He so impressed me with his faith in himself as well as in his God, that despite my training I found faith in him growing within me. I let him have \$18,000.00 worth of furniture and equipment to open his hotel which immediately became successful. He never missed one payment on his contract and later he purchased two other hotels, also successful.

Eventually, he turned one of these hotels over to a friend. A little later this friend, inexperienced, wanted to give up and told John his troubles. John told him, "Why call me when there is One who can help you more than any man can. Pray to Him for help and guidance." This gentleman did this and told me that somehow things did begin to improve miraculously and before long he had worked himself out of the situation where he had a substantial income each year.

John never came to the city without visiting me and never bought anything for any of his hotels except from us in spite of those occasional differences that do crop up at times between customer and salespeople or shipping departments. Why, because I had faith in John and in his faith and thus helped in building his success. When John went to that place from which no man returns, he left his wife clear property in excess of \$250,000.00, all built on character and faith.

Faith is indispensable and the world at times does not seem to have quite enough of it. It has and can accomplish what seems to be the impossible. Wars have been started and men and nations lost for the lack of faith. Faith starts from the individual and builds men and nations. America was built by and on the faith of our ancestors. Do not overlook the power of faith. Remember your three C's of credit but keep an open mind always. There will be many a time it will pay to add something and make it read, Character, Capacity, Capital, and Faith.

MORE SALES ... Through Charge Customers

We Can Get You

Write today
for full
details!

25 OR MORE
New Charge
Customers
EVERY DAY!



A. J. WOOD & COMPANY

1518 Walnut Street, Philadelphia 2, Pa.

MARKET • OPINION • ATTITUDE Research

CREDIT FLASHERS

L. V. Gibbs Retired

Lawrence V. Gibbs was employed by the M. Levy Co., Shreveport, La., in October, 1918, and served until November 1, 1949 as Credit Manager when he was retired because of eye trouble. He has served as a Director of the Louisiana Retail Credit Association and as Director of the Retail Merchants Association of Shreveport on several different occasions. In addition he has served as Chairman of the Loan Committee of the Credit Bureau. He has been an active member of the Retail Credit Managers Club, having served as President and Vice President and was one of the charter members. Mr. Gibbs writes "I am occupying my time in taking care of my yard and flowers and I also spend a great deal of time with my friend W. G. Readhimer, Secretary-Manager, Credit Bureau of Shreveport." He now becomes an honorary life member of the National Retail Credit Association.

Sears, Roebuck Promotes E. M. Flynn

Sears, Roebuck and Co., Chicago, Ill., has announced the appointment of Edward M. Flynn as general mail order credit manager in the company's Chicago headquarters. He succeeds Max R. Vail, who recently retired after 42 years of service with Sears. Mr. Flynn has been assistant general mail order credit manager since 1941.

Akron Credit Association Elects New Officers

The Akron Credit Association, Akron, Ohio, recently elected the following officers and directors: President, H. J. Bradshaw, Burkhardt Consolidated Co.; Vice President, C. A. Brandes, The M. O'Neil Co.; Treasurer, J. J. Zarney, The Yeager Co.; and Secretary, E. L. Carter, The Akron Credit Bureau. Directors: Fred W. Fuchs, Kramer Clothing Co.; T. J. Chapman, The Ohio Edison Co.; Don Morris, Hardware & Supply Co.; C. A. Coulby, The A. Polksky Co.; Carl W. Sigel, Bank of Akron; and H. A. Mathews, Reliable Furniture Co.

C. T. Beaman Elected Alderman

Clifford T. Beaman, Manager, Credit Bureau of Brant County, Brantford, Ontario, Canada, was recently elected an alderman for the city of Brantford. As a director of the Associated Credit Bureaus of Canada and secretary-treasurer of the Ontario district, he has done much to promote the interests of credit bureaus throughout Canada. In addition to his other duties he is also president of the Brantford Board of Trade.

San Francisco, California

At the annual meeting of the Associated Retail Credit Men of San Francisco, San Francisco, Calif., the following officers were elected: President, S. A. Fibish, Livingston Bros.; Vice President, David K. Blair, H. Liebes & Co.; and Treasurer, Charles J. Benson, Retailers Credit Association of San Francisco. Directors: Albert J. Clark, The Emporium; Joseph A. Lopez, The Pacific Telephone and Telegraph Co.; Robert T. Farrar, Macy's; and George L. Phelps, Standard Oil Co.

Coming District Meetings

District One (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Quebec, Canada, and Nova Scotia, Canada) will hold its annual meeting at the New Ocean House, Swampscott, Mass., May 9, 10 and 11, 1950.

District Five (Ohio, Michigan, Ontario, Canada, and Kentucky) and **District Thirteen** (Illinois, Indiana, and Wisconsin, except Superior) will hold a joint annual meeting in conjunction with the 36th Annual International Consumer Credit Conference of the N. R. C. A., at the Netherland Plaza Hotel, Cincinnati, Ohio, June 12, 13, 14 and 15, 1950.

District Eight (Texas) will hold its annual meeting in Fort Worth, Texas, May 21, 22 and 23, 1950.

District Nine (Colorado, New Mexico, Utah and Wyoming) will hold its annual meeting at the Vail Hotel, Pueblo, Colorado, May 7, 8 and 9, 1950.

District Ten (Alaska, Idaho, Montana, Oregon, Washington, Alberta, British Columbia and Saskatchewan, Canada) will hold its annual meeting at the Davenport Hotel, Spokane, Washington, May 14, 15, 16 and 17, 1950.

For Sale

240 Remington Rand Kardex cabinets and pockets. All steel 16-tray cabinets with 6" x 8" x 1/4" exposure pockets. Excellent condition. Available June 1. Box 5501, The CREDIT WORLD.

Positions Wanted

Experienced Assistant Credit Manager desires position as assistant or credit manager. Several years with departmental store chain. Prefers to locate in Southern California. Married, age 31. Excellent character, education and references. Box 5504, The CREDIT WORLD.

Credit Manager: age 40, married, desires position in South, Southwest or West Coast. Until recently, credit manager of one of the country's leading women's specialty stores. Thoroughly familiar with installing cycle billing and managing accounts receivable department. Successful experience in credit sales promotion and public relations. Desires position with aggressive specialty or department store where recognized ability and initiative will be properly recognized. Excellent references. Box 5502, The CREDIT WORLD.

Help Wanted

Experienced managers in the automobile discount field are needed by large western financial institution for employment in the Southwest or Pacific Coast states; extensive finance experience is a prerequisite, including credits, collections and accounting; college graduates preferred; age 30-45; salary open. Applicants must be willing to transfer upon completion of training program. Box 5503, The CREDIT WORLD.

Bettie Stoner Crowder

It is with sincere regret that we announce the death of our General Manager Treasurer's mother, Bettie Stoner Crowder, in Louisville, Kentucky, on her 83rd birthday,



Friday, March 31, 1950. She had not been in good health during the past two years and had declined rapidly in the last few months.

She was born in Spottsville, Henderson County, Kentucky, and was educated in Portsmouth, Ohio. Her father operated a line of steamboats on Green River in Kentucky. Her husband, Samuel Butler Crowder, died January 30, 1941. She is survived by four sons, three daughters, one brother, fifteen grandchildren and ten great grandchildren.

The Reverend Trevor W. Beeler, Pastor of Trinity Methodist Church, located on the campus of the University of Kentucky, Lexington, Kentucky, delivered a masterful and straight-from-the-heart sermon at the funeral services that will long be remembered by those who heard him. After the death of his mother, Reverend Beeler lived with Colonel and Mrs. Crowder for some years during the formative period of his life and left them to join the Army Air Corps in World War I.

The National Retail Credit Association was represented at the funeral services by Arthur H. Hert, Secretary, and the Associated Credit Bureaus of America, by Harold A. Wallace, Executive Vice President.

We of the National Office join Mr. Crowder's many friends in the United States and Canada in offering our deepest sympathy to him and his grief-stricken family in the loss of one so dear to them.—A. H. H.

Credit Careers

Frederick G. Waite

The century was but ten years old when Frederick G. Waite entered credit bureau work and his forty years' service was fittingly recognized when he was feted at a testimonial dinner on Wednesday, February 15, 1950.

More than 300 of the leaders in the business life of Rochester gathered in the Main Banquet Hall of the Rochester Chamber of Commerce and a distinguished list of speakers related outstanding events in the long career of the guest of honor. The proceedings were climaxed by the presentation of gifts from Rochester Retail Credit Association and the Associated Credit Bureaus of New York State. Heading the Rochester Planning Committee for the event was J. Gordon Ross, Rochester Gas and Electric Corporation executive, and Past President of the National Retail Credit Association. Gerald M. Brooks, Credit Manager, McFarlin Clothing Company, and President of the Rochester Retail Credit Association was toastmaster. J Robert Fagan and John Hart completed the committee. Representatives from several credit bureaus in New York State were present and spoke glowingly of the contribution made by Fred Waite in improving state wide credit reporting methods and procedures. Principal speaker was Harold A. Wallace, executive Vice-President, Associated Credit Bureaus of America. Mr. Wallace's address was preceded by brief talks by several representative citizens of Rochester.

In his response Mr. Waite paid tribute to the members of the Rochester Retail Credit Association, of which he has been secretary-treasurer for thirty years, and said that much of his success in maintaining bureau service during difficult times especially was due to the devoted and unstinting loyalty of the credit granters of Rochester.

W. H. Jernigan

W. H. JERNIGAN, President and General Manager of the Credit Bureau of Mobile County, Mobile, Ala., was recently honored by the Mobile Retail Credit Managers Association with a surprise banquet for 25 years of service. He was presented a certificate and pin making him Mobile's first member in the Quarter Century Club of the N. R. C. A. Leo M. Karpeles, Burger-Phillips Co., Birmingham, Ala., and past president of the N. R. C. A. made the presentation. Kaa F. Blue, Foundation Plan, New Orleans, La., and first vice president of District Four, N. R. C. A. also was a guest. G. E. Weiss, president of the Mobile association, served as host. He presented Mr. Jernigan with a silver tray from the association. John Payne, assistant to the honor guest, gave him silver candlesticks from the credit bureau.

Mr. Jernigan, also a director of the Associated Credit Bureaus of America came to Mobile in 1925 from Jackson, Tenn., and organized the present credit bureau. He has been its manager ever since and secretary-treasurer of the association since its organization in 1927.

Six New Educational Stickers

• MORE AND MORE cost-conscious Credit Sales and Collection Managers are finding these new stickers to be an effective and inexpensive collection medium. The emblem of the National Retail Credit Association adds an authoritative dignity. The wording is friendly and explanatory. Tested sentences are designed to present the reasons for prompt payment in a convincing manner. While particularly appropriate in the early stages of past due-ness, they can be used at any time. Easy to affix, they require no fill-in. Simply attach to the customer's statement. They are just as effective for the large store as the smaller. It is now necessary to have a closer and consistent follow-up as collection problems are increasing. Here is your answer. Take advantage of this National service and order a selection today. With your order ask for an illustrated folder showing our complete series of stickers and inserts.

Maintain a Good Credit Record—



For more than a quarter-century retailers and professional men of North America have contributed their actual ledger experience—good, bad and indifferent—to form a tremendous catalog of credit information. This information is a basis for the credit record of the consumer.

Payment of regular accounts on receipt of bill and installment accounts as agreed will build and maintain a good credit record.

Printed in chestnut brown ink on bright yellow gummed paper.

Keep Your Credit Record Good ★★



Whatever your needs may be, a convenient means of making your purchases is by using a charge account.

A good credit rating, obtained by meeting obligations promptly, entitles you to this privilege.

Pay each account in full on receipt of bill and contract purchases as agreed. ★★

Printed in Morocco brown ink on canary gummed paper.

Credit Is Confidence



in the integrity of an individual to carry through his agreements.

Your willingness to pay promptly is the basis on which the retailer extends credit to you.

Charge accounts are due and payable on receipt of statement; installment accounts are due on the dates specified.

Pay Your Obligations Promptly

Printed in maroon ink on green gummed paper.

A SHOPPING CONVENIENCE



• Credit is extended as a shopping convenience. But it is more than a convenience. It has a definite value to the user. For most people depend on a monthly salary or income. By using their credit, they are able to meet current expenditures out of current income.

• Every charge account that is paid in full each month, and each contract that is paid as agreed helps to build and maintain a "Prompt Pay" record.

Printed in green ink on blue gummed paper.

KEEP YOUR PROMISE —



Each month, stores review their accounts to ascertain which customers keep promises and which do not—and the matter of keeping promises has a most important bearing on your future credit standing.

Prompt payment of accounts builds a credit record of priceless value wherever and whenever credit is needed.

Printed in green ink on orange gummed paper.

ONLY \$2.50 A THOUSAND

Assorted, \$3.00 a Thousand

NATIONAL RETAIL CREDIT ASSOCIATION
SHELL BUILDING

ST. LOUIS 3, MO.

PROGRAM HIGHLIGHTS

36th ANNUAL INTERNATIONAL CONSUMER CREDIT CONFERENCE

Hotel Netherland Plaza, Cincinnati, Ohio, June 12-15, 1950

Tuesday Morning, June 13 . . .

9:00—ASSEMBLY—HALL OF MIRRORS, Netherland Plaza Hotel

COMMUNITY SINGING

9:15—CALL TO ORDER—Richard T. Schatz, Washington Water Power Company, Spokane, Washington, President, National Retail Credit Association

INVOCATION

IN MEMORIAM

WELCOME TO CINCINNATI

9:45—APPOINTMENT OF COMMITTEES:

CONSTITUTION AND BYLAWS

RESOLUTIONS

CREDENTIALS

NOMINATING

10:00—THE CREDIT FORUM

David D. Bolen, Chairman, Famous-Barr Co., St. Louis, Missouri, Past President, National Retail Credit Association

11:00—"It's Up to You"

H. W. Adkins, Executive Vice President, Yahr-Lange, Inc., Milwaukee, Wisconsin

11:45—INTRODUCTION OF:

Honorary Life Members

Members from Canada

Exhibitors' Representatives

Cincinnati Conference Committee

12:15—ANNOUNCEMENTS AND ADJOURNMENT

Wednesday Morning, June 14 . . .

9:00—ASSEMBLY—HALL OF MIRRORS, Netherland Plaza Hotel

COMMUNITY SINGING

9:30—RECONVENE

REPORTS OF COMMITTEES:

FINANCE

NOMINATING

CONSTITUTION AND BYLAWS

CREDENTIALS

10:15—THE CREDIT FORUM

David D. Bolen, Chairman, Famous-Barr Co., St. Louis, Missouri, Past President, National Retail Credit Association

11:15—"Living With Ourselves"

Frederick W. Walter, The Bailey Company, Cleveland, Ohio, Chairman, Educational Committee, National Retail Credit Association

12:00—ANNOUNCEMENTS AND ADJOURNMENT

Thursday Morning, June 15 . . .

9:00—ASSEMBLY—HALL OF MIRRORS, Netherland Plaza Hotel

COMMUNITY SINGING

9:15—RECONVENE

MEMBERSHIP AWARDS, L. S. Crowder, General Manager-Treasurer, National Retail Credit Association

9:30—INTERNATIONAL ACHIEVEMENT AWARDS, Harold A. Wallace, Executive Vice President, Associated Credit Bureaus of America

9:45—AWARDS, Mrs. Pat Hughes, President, Credit Women's Breakfast Clubs of North America

10:00—*Panel Discussion, "Improving Credit Investigation Methods"*

Moderator, Harry P. Earl, Credit Bureau of Salt Lake City, Salt Lake City, Utah

PANEL—CREDIT BUREAUS

A. L. Dye, Credit Bureau of Greater Kansas City, Kansas City, Missouri

C. B. Flemington, Credit Bureau of Toronto, Toronto, Ontario, Canada

Harold V. Tom, Credit Bureau of Zanesville, Zanesville, Ohio

PANEL—CREDIT MANAGERS

J. D. Hartup, Standard Oil Company of California, Spokane, Wash.

H. A. Clarke, Boggs & Buhl, Pittsburgh, Pennsylvania

F. Wm. Johnson, Neiman-Marcus, Dallas, Texas

11:00—*"People As They Come and Are"*

Ralph L. Lee, Public Relations Department, General Motors, Detroit, Mich.

11:45—REPORT OF RESOLUTIONS COMMITTEE

ACTION ON FINAL REPORT OF COMMITTEE ON CONSTITUTION AND BYLAWS

1951 CONFERENCE CITY

UNFINISHED BUSINESS

ELECTION AND INSTALLATION OF NEW OFFICERS

INTRODUCTION OF OFFICERS

ASSOCIATED CREDIT BUREAUS OF AMERICA

CREDIT WOMEN'S BREAKFAST CLUBS OF NORTH AMERICA

12:45—ANNOUNCEMENTS AND ADJOURNMENT

Educational Exhibits

Addressograph-Multigraph Corporation

A. B. Dick Company

Diebold, Inc.

Farrington Manufacturing Company

Kellogg Switchboard and Supply Company

The National Cash Register Company

Recordak Corporation

Remington Rand, Inc.

Robotyper Corporation

TelAutograph Corporation

Underwood Corporation

Credit and Collection Procedure

Charge-Offs and Age-Analysis

A MEMBER asks us to discuss two questions. First, "What percentage of charge-offs on the total credit business is considered reasonable?" and second, "What is age-analysis, what is the procedure and what purpose does it serve?"

We are somewhat handicapped by not knowing the nature of his business, or even where he is located, as the communication was signed simply "A Credit Manager." However, the questions he raises are searching ones, and at the heart of credit management. At first glance they seem to be unrelated; looking closer however, we see that they are really tied-in together. It would, of course, be perfectly proper to answer both these questions briefly and let it go at that. Such a brief answer to the first question would be something like this:

"In well-managed credit operations, credit losses in department and specialty stores range from two to five-tenths of one per cent of total credit volume. In some other lines, this figure might be slightly exceeded. Installation houses, while prepared to accept higher losses in order to gain essential volume and meet competition, actually suffer less than double the losses for charge accounts, especially if they have alert and capable collection staffs."

Turning for the moment to our second question, this would be our brief answer: "Age analysis of accounts receivable shows how much is owed the store, by whom, and for how long. It is a listing of all accounts by name, amount owed, and the period of such indebtedness."

Our member would probably be satisfied with these answers but we propose to go several steps further, because we feel that there is much more to be said. Take the question of bad debt losses. For years, credit managers and top management have rested comfortably on the hypothesis that roughly two to five mills out of every dollar of credit sales could properly wind up in the profit and loss ledger. The degree to which actual accomplishment produced a lower loss was considered so much velvet. Conversely a higher loss often became a matter for reprimand.

The validity of the figure has seldom been challenged. That is our purpose now. The amount allowed for bad debt, compared with the allowance granted the merchandise manager for his faulty judgment and adverse economic conditions, seems meager. On the other hand, with the superb facilities we have for checking credit applications plus the refinement of collection procedures, perhaps we should not lose even that infinitesimal percentage.

Yet, both credit losses and merchandise markdowns are affected by the policy of the store and by current economic conditions. While no attempt is being made to assert

that credit losses and merchandise markdowns are identical twins, we do say that the more realistic attitude taken toward merchandise losses should also apply to credit losses.

Contrast two credit managers. One, accepting none but prime risks and following a stern and relentless collection policy, would certainly protect the firm against bad debt losses. However, it is equally certain that he would contribute nothing to the progress of the firm, indeed would be a definite drag on profitable volume. The other credit manager, alert to his wider and greater function of sales promoter, conducting vigorous and constant campaigns for new credit business and saying "yes" as often as possible, runs some risk of adding a few doubtful accounts. However, the additional volume his policy produces overwhelmingly compensates the store for that possible increased bad-debt loss.

Surely the same yardstick should not be applied to these two credit managers. Before praising or condemning a retail credit operation, we should take into consideration the contribution made by his division to the sales volume of the store, and the credit policy he follows. If by a generous credit policy he has added considerably to the total sales, his bad debt loss should be viewed in the light of such contribution.

Taking the discussion a step further, it is clear that many an account winds up in the graveyard that need not. Lax, unimaginative, and perhaps overly economical collection procedure wrote the death warrant. Extension of credit, particularly on the grand scale necessary to get volume, means increased collection problems. Alert, resourceful and intelligent collection work will often get the money for one store before the other creditors have rubbed the sleep from their eyes. Responsibility for bad debts lies with the store itself many times. Most people are disposed to pay their bills. The reason they do not is that there are just not enough dollars to meet all demands. Obviously the collection manager there first with skillful courteous appeals stands a good chance of collecting ahead of others.

Advantages in Collecting Promptly

Add to this, for good measure, the fact that the successful collection manager is a business getter too. There is a real advantage to collecting promptly. The customer tends to buy more goods in the store at which she is in good standing, shunning the one to which she is indebted. Thus the collector on his toes gains both ways; he gets the money and keeps the customer "open to buy."

Instead of a dull plodding collection procedure that trails off into listless apathy many an account can be dragged back from the bad debt abyss by fast, intelligent effort. This does not mean yelling for the cops, either. Collection people are too prone to send that "Much to

our regret we are compelled to sue" letter, before other ways of getting the money have been tried. Collecting the account and keeping the customer's good will and future patronage is more than using threats. It is salesmanship of the first order. The customer must be *persuaded* that payment is smart and profitable for her.

A triple program of collections—start early, dig deeply into reasons why payment is withheld, do not give up too easily—will contribute to the admittedly hard task of getting maximum credit volume with minimum credit losses. Before considering whether a given bad debt loss is reasonable or unreasonable, look into the quality and vigor of the collection section.

Finally, in the review of bad debt losses, we must not forget the effect of current conditions. The tradition encrusted figure of "Less than one-half of one per cent" seems to stand, regardless of what is happening in the business world. Unfortunately there is no such thing as a constant level of business. Conditions are better at some times than they are at others. Customers have more to spend at some times than at others. There are sharp variations in the amount of disposable income. Employment is steady and plentiful at certain periods and scarce and scant pay at others.

All this adds up to the fact that a simple answer cannot be given to the question of what is a reasonable bad debt figure. Adjustments must be made for the nature of the business, severity of the credit screening, skill and resourcefulness of the collection department, plus or minus favorable or unfavorable economic conditions.

Now let us get to the second question asked by our member. You recall the question was: "What is age analysis, what is the procedure, and what purpose does it serve?"

In our opinion, this question ties in definitely with the previous one. If we assume proper credit investigation in the beginning, and wise credit extension, the most important element of accounts receivable is the age of the accounts owing. It is elementary to say that the age of an account determines its collectibility and eligibility for the bad debt ledger. The difficulty of collecting money increases, not in arithmetical but geometrical progression. Unless a credit manager knows the length of time each account has been owing, he can give no accurate estimate of the value of his accounts receivable balance. Banks lay great stress on this figure when considering the value of a business. An ageing of accounts receivable is essential to the appraisal of the balance sheet. Surely it should be equally important to the credit grantor.

Ageing of accounts receivable is a listing, account by account, which shows the months during which the unpaid amounts were purchased. The process reveals the collective totals owing month by month, and individually, how much is owing by whom for how long. The operation is simple. A form similar to that provided by the National Retail Credit Association for the use of members, is used. Each account is analyzed and entries are made on the sheet showing the breakdown of the total amount owing. Then the columns are totalled thus showing the total amount owing for purchases made in the various months covered by the analysis. This figure is revealing in many ways.

Smaller stores make use of the age analysis as a trial balance. In fact the age analysis can, and often is made

to fulfill a triple purpose; accounts receivable trial balance, age analysis and collection follow-up. The form provided by the National is designed for such use and has appropriate columns. Operating a credit department without regular age analysis of accounts receivable is comparable to setting forth on strange waters without chart or compass. Early recognition of a dangerous condition in both total outstandings and the individual indebtedness can have important results in minimizing the year-end charge off to bad debt ledger.

So it becomes clear that the two questions have much in common. We hope we have given our inquiring member a helpful answer.

A Credit Authorizing Problem

AT THE REQUEST of the Credit Manager of a large Midwestern department store, we sent a questionnaire to a representative group of department store credit managers and received a good response. We feel that the replies will interest our members, particularly those on cycle billing or contemplating changing to that type of billing.

The problem concerned credit authorization. The store is on cycle billing and uses for credit authorization reference purposes a 3 x 5 card file containing some 200,000 cards. This forms a list of customers on a geographical or street file basis.

Because the card file contained much deadwood, our inquirer wished to know what was the best way of bringing it up to date. Also, he wanted to know what others were doing in the matter of using geographic files to supplement credit authorization and for other purposes. Here are the questions and the answers:

Do you use a geographic or street file? Fifteen said "yes." Twenty-five said "no." Of the fifteen saying that they did use such a file, nine used it for primary authorization, six for reference only. Eight had the list on one line indexes, and five on 3 x 5 cards. Two did not say.

Eleven said that the list was used by the bookkeeping and bill adjustment departments as well as the credit office. Four said that the list was used by the promotion and merchandise adjustment departments. Five said the list was used by the delivery complaints department.

Well over half used a geographic city directory, while eighty-seven and a half per cent said they relied on a geographic telephone directory. From the survey we were able to advise our member to consider discarding his geographic card file altogether thus saving the considerable cost of its revision and maintenance.

Some of the stores volunteered the information that they had used geographic files in the past, but discarded them, feeling the cost too great and the need slight. Others, stating that they did use geographic files only because circumstances peculiar to their operation made such necessary, added that under normal conditions they would recommend their abolition.

It is the general recommendation that either a geographical city directory, or geographical telephone directory or both be used for customer identification where the cycle billing files fail. The cost of these is negligible compared to the cost of maintaining a card file. The fact also was emphasized that unless a card file is maintained thoroughly and carefully, its value is sharply diminished.



Credit Application Booths

R. H. Gaines, Manager of Charge Sales, Davison-Paxon Company, Atlanta, Georgia, well knows that there are many prospective charge customers who are timid



about seeking a credit interview, or who are unwilling to wait for such interview. Determining to get as many as possible of these prospects, Mr. Gaines last December

set up several credit application booths throughout the store. These booths are equipped with Davison's "Custom Credit Plans" pamphlets, credit application blanks, fountain pen holders attached by chain, and a letter slot in which to drop the completed application. A messenger makes the rounds twice daily and brings the applications to the credit office for processing.

Several hundred accounts have been opened in this manner and as they are largely from customers who have better than average credit ratings, Mr. Gaines feels that the ease and convenience of the method attracted them. He is inclined to think that not otherwise would they have become Davison charge customers.

The pamphlet, Davison's "Custom Credit Plans" deserves special mention. This is an eight-page booklet measuring 4" x 7" and is printed in the characteristic Davison maroon. Five ways of buying at Davison's are described. The thirty-day charge account, the Extended Credit Account, The Club Account, the Wardrobe Credit Plan, and the Layaway Plan. The details and terms of each are carefully explained and the last page is a simplified credit application coupon. The pamphlet is also used in direct mail solicitation, and the coupon is to be mailed to the store. We are showing one of the Booths, the credit application and the front cover of the pamphlet. See illustrations below.

Mr. Gaines in January inaugurated an Employees Contest for the solicitation of credit applications, and since then has added over 1,200 new names to the customer

Custom Credit Plans
Tailored to fit your budget

*It's Easy to Shop at the New
Davison's—Where Generous
Credit is a Tradition*

Enjoy the Convenience of a Charge Account at

Davison's

Check the type account you prefer:

30-Day Account ECA Account (Extended Credit)
 Club Plan Account Wardrobe Credit Plan

Fill out blank below:

Full Name _____
 Home Address _____
 Telephone Number _____
 Name of Employer _____
 Other Accounts _____

We Will Notify You as Quickly as Your Account is Opened

list. Twenty-five cents is paid for each approved application turned in by salespeople. This procedure is now permanent at Davison's. The same simple credit application is used by the salespeople.

This progressive Atlanta store believes that not only should a sufficient number of different kinds of credit be made available, but that they should be widely publicized. In this objective, Mr. Gaines is producing good results in credit sales management.

Display Windows on Credit

MANY CREDIT sales managers have looked longingly at the merchandise displays in the store's front windows and wished that once in awhile space could be obtained for a window or a series of windows devoted to selling credit.

At least one alert and aggressive credit executive has translated that longing into action. Dean Ashby, J. L. Brandeis and Sons, Omaha, Nebraska, convinced his management that one display window should be devoted to credit each week in March, thus capitalizing on the heavy pre-Easter shopping to interest window shoppers in the ease of obtaining credit and the manifest advantages of doing so.

Mr. Ashby, in his memorandum to management, makes the following cogent statement: "Retailing and the use of credit must be progressive. It is destined to make more progress during this year than it has during the past five years. The Credit Department plays an important role in creating the avenue whereby more goods can be moved to more people. It takes imagination to attract and keep customers. Business must not be bound and shackled to tradition, but use every available method of promoting sales. The credit department recommends the use of the display windows to acquaint the passing parade with the various credit facilities we offer."

Mr. Ashby generously gives us the general outline he prepared as a guide to the Publicity Department, and the details of each window. Also actual photographs of the three credit windows he was successful in securing.

General Outline for Window Display of Credit Department

Blown-up picture of the outside area of the Credit Office including:

Cashiers.
Information desk.
Counter service.

Emphasize the unusual layout of the office arrangement which is built on the idea of Customer Service. Use this picture as a background for the window.

Also, a picture of our File cabinets which house records of 60,000 customers, properly indexed, coded and arranged for immediate reference and prompt OK of charges.

Display a giant size Charga-Plate.

Used as an identification media on cashing checks. Emphasize always the Correct Name and Address, easily read by all, assuring prompt service on Authorizing and Delivery. Plates issued to Mr. — Mrs. — other members of family.

Display an Addresser used for the Charga-Plate service at all counters.

Set up a desk showing customer being interviewed. Mention that minimum time is required for interview.

Blown up pictures of Credit Application to show information used to complete record of customer to give prompt service on account.

Show picture in distance of Credit Bureau files and service of 24 to 48 hours for complete Credit Report sent to us so that we may give an OK on Credit Application and mail Charga-Plate for customer use on all charges.

Give location of Credit Office.

Types of accounts:

30 day Charge Account.

Contract accounts for deferred payment on Household goods, furniture, rugs, appliances.

Show blown-up picture of Statement.

Schedule of billing dates.

Emphasize:

Simplified billing and its advantages to customer.

An account and Charga-Plate always speeds shopping for the busy shopper.

First Window—Credit Department (Picture No. 1.)

A BRANDEIS CHARGE ACCOUNT

adds to

Your Shopping Convenience

Visit the Credit Office

6th Floor

Arranged for Ideal Customer Service.

Apply for a Brandeis Charge Account

to receive a

Charga-Plate

A Brandeis Charga-Plate . . .

Identifies you when shopping.

Identifies you when cashing checks.

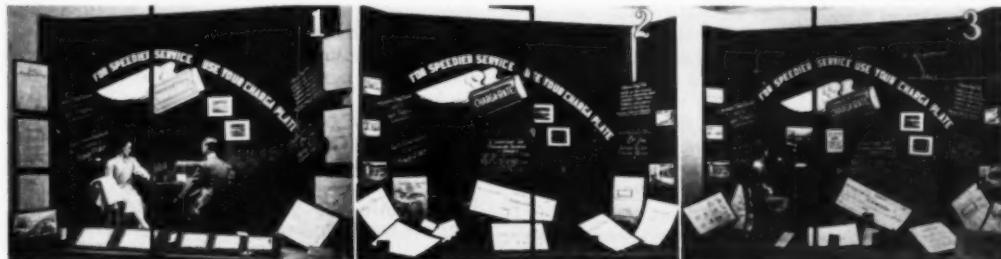
Guarantees correct name.

Guarantees correct address

Guarantees prompt delivery.

Shows your shopping at Brandeis on all your Charge purchases.

(Turn to "Windows," page 27.)



CREDIT DEPARTMENT Letters

LEONARD BERRY

IN THE LAST two issues of *Credit Department Letters* we have thrown the spotlight on two phases of credit sales promotion, new account solicitation and reactivation. Considerable interest has been manifested, which supports our premise that credit sales promotion ranks high on the list of credit management objectives. Among the many comments comes the suggestion that we carry this discussion a further logical step and say something about efforts to *increase the use of accounts already on the books.*

Undoubtedly every credit manager has often made the simple calculation that reveals the average amount of credit sales per account. Usually this figure proves disappointing; certainly in the largest number of accounts credit sales do not reflect even a good share of the potential amount. Customers tend to show definite preferences in buying. Influenced by many factors among them favorite salespeople, brand preferences, and perhaps unfamiliarity with the range of merchandise offerings, they divide their purchases among several stores.

A recent survey of the accounts of a women's wear specialty store disclosed the startling information that of customer buying dresses, 66 per cent did not buy coats; 44 per cent did not buy millinery; and 38 per cent did not buy shoes; and of millinery customers, 40 per cent did not buy dresses. The same survey brought out other interesting facts. Price preferences in different merchandise classifications did not follow the same pattern. It was shown that customers were more willing to buy higher priced goods in some departments than they were in others. Customers were found who used their accounts for purchases from only one or two departments revealing a surprising indifference to other departments which the store considered especially appealing. Such surveys invariably prove to be eye openers, both to the credit department and to top management.

The credit records of a store contain tremendous possibilities for inducing additional business by use of a highly selective mailing list. They are also capable of shedding considerable light on the correctness of over-all merchandise policies as well as on individual departmental performance.

Some stores diligently and continually mine this rich lode and find the results gratifying. Other stores content themselves with sending out seasonal sales material, while a few merely utilize the mailing of the customers' monthly statements as vehicles for enclosing various inserts and merchandise announcements. It is the function of the credit sales manager to exploit to the full all avenues to increased sales and in this matter of adding to the purchases of his present customers he can be effective.

The maximum advantage of such efforts is obtained by some form of customer control. To show the possibilities and justify the installation of a complete system, a

sampling of the accounts should be made. Determining the merchandise classifications that would yield the most valuable data, a number of accounts from several letters of the alphabet can be taken and analyzed.

Provide a simple form, listing the various merchandise classifications and list all purchases made during a specified period. Show the number of departments used by the customer, the number of customers buying in the individual merchandise classifications, the total sales made, and any other desired data.

Armed with the results of this preliminary survey the manager of credit sales is in a position to make recommendations to management concerning more complete and comprehensive customer control procedure. For smaller stores the simple process we have described would provide ample promotional ammunition. Larger stores, of course, require mechanical systems that will produce the necessary information at moderate cost.

Innumerable instances could be cited to prove high and profitable returns from skillfully written letters with a special sales message personalized by reference to the store's actual experience with that particular customer. Personalized letters appeal to the strong desire all of us possess to be singled out and made to feel important.

Efficiency of direct mail is increased by beaming material to customers known to have bought the particular item or in the particular price range. Customer control gives the Publicity Department access to selected lists for special or limited promotions.

Credit Sales Managers who have not investigated the possibilities of using credit records to increase sales might find here an opportunity. Our illustrations this month show credit department salesmanship in action and indicate the range of potential sales and good will building activities.

This Month's Illustrations →

Illustration No. 1. Dean Ashby, Credit Manager, J. L. Brandeis and Sons, Omaha, Nebraska, has a series of letters for following up purchases in various departments. Here is a letter to a Shoe Department customer. Similar letters are provided for the Appliance, Furniture, Men's Clothing, and other departments. Shown also is the card which is enclosed.

Illustration No. 2. Glenn Anglin, Credit Manager, Ellis Stone Company, Durham, North Carolina, believes it is important to follow newly opened accounts that have not been used.

Illustration No. 3. Here is a simple but effective note used by Tom McKee, Credit Manager, Rike-Kumler Company, Dayton, Ohio, that takes advantage of the paid-up account to bring the customer back.

Illustration No. 4. C. J. Emmert, Credit Manager, Ivey's, Asheville, North Carolina, tells us that he had unusually good results with this inactive account letter.

J.L.BRANDEIS & SONS

OMAHA, NE. NEBRASKA

Mary 6, 1950

Mr. Frank Brown
112 No. 102 St.
Omaha, Nebraska

Dear Mr. Brown:

How are the new shoes? Frankly we'd like to know, because you can be completely satisfied with shoes only after you have worn them. We would like to know if your purchase has been entirely satisfactory.

Here at Brandeis, we strive in every way to bring you good shoes at prices you want to pay. That's why we stock only nationally advertised shoes, well known for their quality, service and good fit. And to make sure of perfect fit, we offer you a-ray fitting service.

We would appreciate it if you would fill out and mail us the enclosed card, in case you are not entirely pleased with your purchase, we would like to have you come in the next time you find it convenient, so that we can make whatever adjustments are needed.

Thank you for your attention and we hope to be able to serve you again soon.

Yours very truly,

J. L. BRANDEIS & SONS

J. L. Brandeis
Men's Shoe Department

J. L. Brandeis & Sons
Omaha, Neb.

Date _____

Phone _____ Name _____
Address _____

Ellis Stone Co.
Durham, N.C.

March 15, 1950

Miss Ethel Smith
905 Wells St.
Durham, N.C.

Dear Miss Smith:

This morning our bookkeepers handed me a list of recently opened accounts that have never been used. Your name was among our list.

Could there be a more opportune time to enjoy the privilege of a charge account, with the Glorious Easter and Spring season just around the corner?

"IT'S LATER THAN YOU THINK."

We have a two-fold purpose in writing to you. First, to remind you that all the lovely Spring fashions have arrived to make you the loveliest lady in the "Master Parade." Second, that because your charge account has not yet been used, you have not had the opportunity to realize the joy and convenience of an ELLIS STONE EASY SHOPPING CHARGE ACCOUNT.

Anticipating an early visit from you and the pleasure of seeing you enjoy your new account, we are

"YOUR STORE FOR EASY SHOPPING."

ELLIS STONE & CO.

Glen Anglin
Glen Anglin
Charge Account Department

GAB



THE RIKE-KUMLER COMPANY

DAYTON 1, OHIO

CREDIT DEPARTMENT

(3)

YOU DON'T OWE US A THING!

Isn't it wonderful to have a wide open charge account in a nice store like Rike's? How whenever you need some new clothes or get a sudden invitation that calls for a gift, you can buy what you need at Rike's and just say "Charge it." Please drop in and look around the store soon, won't you?

WE'VE MISSED YOU!



Ivey's

SKYLAND FASHIONS
ASHEVILLE, NORTH CAROLINA

J. B. IVEY, PRESIDENT
RALPH W. HARRIS, VICE PRESIDENT
M. C. COOPER, SECRETARY
AND M. C. COOPER, TREASURER
RALPH P. GRANT,
GENERAL MANAGER

October 17, 1949

(4)

Mrs. John Smith
700 Broad Street
Atlanta, Georgia

It's been a long time, Mrs. Smith.

March 14th since you last used your Ivey's charge account and never really missed you.

We do not believe the inactivity of your account has been any fault of yours, for we believe you would have told us, knowing that it would have been a convenience to you to have a charge account, and will appreciate the courtesy of your suggestions at all times. For your convenience in making suggestions, we enclose business reply envelope.

We trust our Fall stock is complete with the most varied and attractive selections of merchandise we've ever offered, and you will find a visit here especially worth while.

It will be a pleasure to welcome you again to Ivey's and your charge account assures you of every shopping convenience. Please pay us a visit soon.

Sincerely yours,

Ralph P. Grant
Ralph P. Grant
Credit Manager

J.S./gs
enc

IVEY STORES: CHARLOTTE, ASHEVILLE, N.C., GREENVILLE, S.C., ORLANDO, DAYTONA BEACH, FLA.



Items of Interest From the NATION'S CAPITAL

HAROLD L. SCHILZ, Counsel, National Retail Credit Association, Washington, D.C.

Skip Tracing Attitude of Federal Government

What can be done toward locating the delinquent debtor who deliberately conceals his whereabouts is always of interest to those engaged in collection work, and to a certain extent there is an allied interest by those engaged in consumer credit reporting.

Collectors and collection agencies have, to a considerable extent, experienced a lack of sympathetic interest or attention from Federal governmental agencies in their efforts to locate the lost debtor. Both the Post Office Department and the Federal Trade Commission seem to have lost sight of the fact, in the past and even now, that the creditor has a specific and substantial interest which should be protected; that to enable the creditor to remain in business by collecting his just debts would seem to be more in the public interest than to relieve some slight distress to the dishonest debtor.

This unusual attitude is evidence by the fact that in the past, and even at present, the Federal Trade Commission has issued cease and desist orders or complaints against organizations seeking to trace debtors, on the ground that the devices used by them are deceptive; and in the past the Post Office Department issued Fraud Orders against the skip-tracer, until halted in the case of *Lewis v. Hannegan* (Civil Action 3485-47, United States District Court for the District of Columbia).

Unfair and Deceptive Acts or Practices

In 1944 the Federal Trade Commission issued a cease and desist order to prevent "unfair and deceptive acts or practices" in the case of *Silverman v. Federal Trade Commission*, 145 Fed. 2d 751. In that case the plan to locate debtors was operated by the petitioner trading under the names of J. Silverman & Associates, General Forwarding System, and Commercial Pen Company at San Francisco, California. He advertised his business as "Locations by Subterfuge," "a new and unique method of locating 'skips'" and said he operated "by a cleverly-planned means of reaching these 'debt evaders' in so subtle a manner that they do not know they are being traced." He always endeavored to obtain the address, name of an employer, the debtor's bank, and name of a friend, of the debtor.

The "system" consisted of sending one or more of three postals, of the double-card type, under the name of General Forwarding System and Commercial Pen Co., addressed to a friend or relative of the debtor rather than to the debtor himself. The attached reply card was intended to be filled out and mailed by the recipient.

To eliminate the suspicion of the debtors, part of the system was to mail the cards from San Francisco, even though the greater part of the listings of debtors came

from elsewhere. Commercial Pen Co. offered the addressee a free pen as a so-called introductory offer; the other company used the device of having the addressee send for a "prepaid package." Had the sender of the cards actually had something of value to offer, the result of the case might have been different; but the Court was impressed by the fact that Silverman had no prepaid packages to send out, and his pens were only "stock pen points," and upheld the action of the Commission in barring further activities of Silverman and his companies.

On the other hand, the U. S. District Court for the District of Columbia in 1947 enjoined the Post Office Department from proceeding to enforce a Fraud Order against the Lewis Apparel Stores of New York and one of its subsidiaries, which would have barred the use of the mails to them in locating delinquent and lost debtors. That organization sells at retail and on credit throughout the United States. It had created another corporation known as The Imperial Package Distributing System, Box 51, Newburgh, New York. The Lewis Company would turn over to the Imperial Company lists of delinquent debtors and of their references originally given to the store on behalf of such debtors. The Imperial Company would then send out to these people postal cards stating that they held a "prepaid package" in the name of the debtor and that due to change or error of address and lack of identification they could not make delivery of the package, but would do so if the recipient of the card would forward full and proper identification.

The Lewis Stores successfully contended in that case that a package had been supplied to the person who replied, in the form of an ash tray; that Imperial was a subsidiary organized to obtain references for collections of monies lawfully due them; that the issuance of the fraud order was arbitrary, capricious, in excess of statutory authority and an abuse of discretion. Since the injunction granted against the Post Office Department in that case, it does not seem to have so actively attempted to interfere in such matters.

At present the Bond Stores are contesting a case before the Federal Trade Commission in which a Complaint was issued against their use of trade-name organizations, four in number, to locate lost debtors. The case appears to have stronger aspects for success eventually for the Bond Stores, in that it differs from the *Silverman* case in the following: its tracing companies existed in fact, whereas the Silverman companies did not; the Bond Stores' affiliates did not apparently offer any reward to the recipients of their cards and letters in return for information secured. No promises or inducements were offered by the Bond affiliates in return for information secured. The outcome of Commission action in this case will be of great interest. ★★

PROGRAM Suggestions FOR LOCAL ASSOCIATIONS

Stage Presentation on Credit

As Shakespeare said, "The play's the thing." Many local retail credit associations are finding that the lessons of good credit management can be vividly and unforgettable dramatized by acting out the daily routine of the credit office. Through the courtesy of C. F. Roycroft, General Manager, Credit Bureau of Baltimore, Baltimore, Maryland, we have received the script of a splendid stage presentation, "The Dream of Mr. Young."

Using 14 characters and several off-stage voices, the theme of the play is a day in the life of Mr. Young, credit manager of the Moss and Moss Co. The dialogue takes the audience through the all too familiar episodes in the average credit office in which indifference, rudeness and thoughtlessness cause strained customer relations and lost good will.

This script is being mimeographed by the National Office and copies are available without cost to program chairmen of local associations. Send your request to the National Office, 218 Shell Bldg., St. Louis 3, Mo. This play would be ideal for presentation at one of your credit association meetings. After the performance a lively discussion could be developed on the various points brought out.

Discussions on Skips

Almost every day the credit office finds in its mail at least some, and often an alarming number of those ominous and disturbing envelopes marked "Return to sender, not known at this address."

This is frequently the first indication to the store that others have joined that small but infinitely troublesome group known to the credit profession as "skips."

Collecting accounts is difficult enough when the customer can be reached. The problems are greatly complicated when the debtor cannot be reached, and his whereabouts are shrouded in mystery. This situation usually arouses executives in charge of collections to indignation and challenges their ingenuity and resourcefulness. Individual and clever techniques have been perfected by experienced collectors. An excellent and informative credit association meeting could be arranged, a meeting that would have great interest for the members to discuss these techniques and methods.

It seldom happens that a customer will leave town neglecting to inform his creditors of his future address owing only one store or business house. Usually such a "skip" will involve many credit granters and they can be of mutual help if they will pool their resources of information and join hands in the search.

Local associations should devote a meeting to this important part of collection procedures. Ask the various members to bring with them a list of missing debtors and compare the known facts. Discuss these individual cases

and share the information that has been secured. Then arrange for one or two of the more experienced members to give a ten-minute talk on the general subject. Lively and interesting discussion will follow and all will benefit from the addition to each one's protective equipment in dealing with "skips." Here are some questions that can be covered:

(1) How important is it to have a complete application from every credit customer?

(2) How many names of relatives and friends should be secured?

(3) Does it prove profitable to secure the name of the company carrying the customer's life insurance?

(4) What are the techniques and results of locating missing debtors by the following means?

A. Locating by mail—registered letter—return receipt requested?

B. Locating by telephone?

C. Locating by telegram?

D. Locating by outside collector?

E. Locating by the Credit Bureau and by professional locating agencies?

Radio Spot Announcements

We have been asked by many members for radio "spot announcements" dealing with the use of credit and the advantages of prompt payment. Short, informative messages, limited to between twenty-five and fifty words, are relatively inexpensive and usually command a large audience. There is great power in the spoken word and the story of the benefits of prompt payment of bills can be convincingly and swiftly projected by simple, direct and persuasive spots. Betterment of local credit conditions has been brought about in many instances by use of the radio.

The timing of the spots is important. Consultation with your local radio station program directors and consideration of the programs immediately preceding and following your spot announcements, will ensure the messages obtaining maximum attention. Many radio stations are welcoming the opportunity to present these spot announcements as a public service.

Credit educational announcements should be worded in such a manner that the listener identifies himself or herself pleasantly with what is being said. The advantages of prompt payment should be stressed, together with the ease and convenience of credit buying. While the olive branch can be held out to those who might be in financial difficulties, the impression should be conveyed that most people do pay promptly (as indeed they do), and those few who are temporarily unable to do so are given every consideration and cooperation. The National office has mimeographed several such spots and copies will be gladly sent to members on request. ***



Granting Credit in Canada



C. B. FLEMINGTON . . Canadian Correspondent

Credit Control Is Important

W. P. Stevens, Regional Credit Manager, Industrial Acceptance Corp., Ltd., Montreal, Quebec

FROM the outset it should be understood that this is not an attempt to tell any dealer how he should control the extension of credit in his business. But the time seems opportune to review the well established fundamentals which govern this phase of the retail business.

The past five or six years have been for most, highly profitable ones. Besides providing substantial incomes, returns have made possible the establishment of Surplus Accounts greatly in excess of original expectancy. Merchandise supply and customer demand maintained a "seller's market"—there were no trading problems and selling costs were low. Under these conditions "frozen" accounts were almost nonexistent, and the losses taken attributable to lack of a credit policy, mistakes in assessing the risks, or weakness in collection procedure, were small.

Business conditions are still good, and are likely to remain so for some time to come, but they are not the same as those existing during the past few years. The "seller's market" has all but disappeared. Buyers are now the quarry and competition for business is increasingly keen.

The changes now required in the approach to doing business will tend to lower gross profits, and consequently the maximum in operating efficiency is a practical requirement if net returns are to be maintained at a satisfactory level. Undoubtedly, most dealers will scrutinize expense items closely, but unfortunately all too often the loss potential associated with Accounts Receivable is given too little consideration.

There is such a thing as being too restrictive with credit and much good business is lost as a result, but generally the trend is one toward over optimism, which leads to frozen accounts and excessive credit losses. There can be no happy medium unless a clearly defined credit policy, coupled with credit control, is established.

The formulation of a credit policy is a matter requiring considerable serious thought, for once a decision is reached the policy to be effective must be applicable to all customers. There cannot be more than one standard because fairness is essential.

The customers must know the date upon which they are expected to pay their accounts in full or, putting it another way, the terms under which they are to receive credit. Unless the terms are defined they are not tied down to a due date. Moreover, the dealer has no standard by which to classify accounts as current or past due.

Therefore, requirement number one in developing the credit policy is a clear statement of the terms. This may call for payment, (1) when the month end statement

is rendered, (2) on the tenth of the month following, or a date required to accommodate conditions peculiar to some community. Whatever the terms decided upon, they should be stated not only verbally but by being printed upon the Credit or Charge Account Application and the month end Statement of Account.

In rounding out the Credit Policy, equally serious consideration must be given to the degree of latitude to be allowed those customers who do not pay promptly. How long after an account goes past due should the customer be permitted to continue the use of Charge Account privileges? Fifteen days? Thirty days? Sixty days? Should the account be suspended until all arrears are paid? These are questions management must answer.

Certainly no one would hand out ten dollar bills to people about whom they knew little or nothing, and yet every day goods and services are being received by people whose credit background and status in the community are unknown to the grantor.

To secure the information necessary before the desirability of the customer as a credit risk can be properly appraised, the Credit Application is indispensable. This form when filled in by the customer should provide answers to these questions,

- (1) Who is he?
- (2) Where does he live?
- (3) How long has he lived there?
- (4) Where did he live prior to the present address?
- (5) Who does he work for?
- (6) What is his position or job?
- (7) How long has he worked for his present employer?
- (8) What Bank does he do business with and where is it located?
- (9) Who is his nearest relative other than his wife or child and where does the relative live?
- (10) Who else has given him credit?
- (11) Who are at least two people who know him well?

Credit Terms on Application

At the bottom of the form the credit terms should be printed, also a short statement of declaration attesting to the truth of the answers, below which the customer will sign his name. This procedure has a good psychological effect.

With the information provided by the customer a quick check can be made through the local credit bureau or, if there is not one, discreet inquiries may be made directly. Based upon what is learned it is possible to make a reasonably accurate estimate of the amount of credit that can be safely extended.

One of the secrets (if it can be called such) in collecting past due accounts is close, consistent follow-up. Of course in order to carry out the practice of close follow-up, month end statements must go out promptly. The first follow-up asking for payment should be made not later than five to ten days after the account has gone past due. This first follow-up should be a printed notice in the form of a friendly reminder.

Succeeding requests for payment should be no less friendly but the undertone of firmness must increase in the notices. Indirect threats should be avoided, such as telling the customer his credit reputation is at stake. Statements like this are more likely to delay payment than to produce the desired result.

When three notices fail to bring in the money the customer should be contacted by telephone if possible, and finally, if the account still remains unpaid, a personal call should be made upon him. This is not to say that letters are of no use. They do, of course, serve a purpose. Quite often it is desirable to confirm, in writing, arrangements made or understandings reached during telephone or personal contact. Sometimes a letter is the only means of communication with a customer. To collect successfully the customer must be sold the idea that his intentions were never in question. There must be created a genuine desire to pay. When the delinquent does not have the required amount of money, his thinking should be directed to avenues through which he might get it. There are numerous agencies through which it is possible to consolidate and refinance obligations. When the customer has the money or can get it, but still refuses to pay, then prompt and decisive action should be taken to collect.

As a final but extremely important step toward maintaining control over Accounts Receivable, an analysis of all accounts should be made frequently, and preferably not less than each 30 days. This analysis calls for listing all the accounts so as to show how much of the amount owed by each customer is current, the amount one month over due, the portion two months delinquent and also three months or more past due.

Spreading the Accounts

Spreading the accounts in this way will highlight those requiring attention, and by comparison with previous lists made, the trend of delinquency will be quickly apparent, as will the need for intensified collection effort whenever past due accounts are on the increase. Many more valuable uses will be found for this analysis, such as revealing the percentage of the accounts that are more or less frozen and doubtful assets, pointing up the disappearance of working capital and the cause of increased requirement for bank borrowing, etc.

The firm resolve of every dealer should be to watch the accounts receivable with increasing vigilance. Past due accounts are responsible for loss of business because many customers whose accounts are past due stop buying from the dealer they owe, quite often buying elsewhere for cash.

Dealers who give close and effective attention to collecting accounts receivable will be well repaid. It is more profitable to maintain a fast turnover of accounts receivable since by so doing full advantage can be taken of cash discounts and bank borrowings can be reduced with consequent saving in interest charges. ★★

"Windows"

(Beginning on page 20.)

Second Window for Credit Department (Picture No. 2.)

Emphasize the Application for Credit by placing a placard in center of window giving following information:

- "5 SUGGESTIONS FOR STREAMLINED SHOPPING AT BRANDEIS"
1. Make an Application for a Charge Account.
 2. Receive a Charga-Plate.
 3. Shop and use the Charga-Plate for your convenience.
 4. A Simplified billing of all transactions is sent each thirty days.
 5. Pay in one lump sum.

The use of numbers to identify the material in window on large scale size for:

1. Application.
2. & 3. Charga-Plate.
4. Statement and Explanation of simplified billing.
5. Large size Bank Check.

Third window for Credit Department (Picture No. 3.) Build window around the theme of "Your Credit Record Is Recorded In These Files."

1. Show blown-up picture of the Credit Bureau Files.
2. Also blown-up picture of our files.
3. Place teletype machine in window to indicate the method of transmitting information.

Have description card with each picture and teletype machine as follows:

1. Retail Credit Bureau Files containing over 600,000 credit records of customers in Omaha and a large trading area, for the service of all retailers who are members.

2. Brandeis Credit files containing over 60,000 credit records of our charge customers.

3. Teletype machine transcribes a typewritten report of the credit record of Customers.

Use a card in front of window: GUARD YOUR CREDIT AS A SACRED TRUST. ***



AN UNUSUAL STICKER

THIS MOST UNUSUAL STICKER has been designed for use by members.

They should be used on letterheads of the credit department and on statements on which a previous month's balance has been brought forward.

THIS STICKER carries the prestige of the National Retail Credit Association and the slogan, "Guard Your Credit As a Sacred Trust," is an excellent educational message. Order a supply today.

SHOWN ABOVE actual size, they are printed in the National's colors, bronze blue on gold gummed paper.

Price, \$2.50 per thousand

NATIONAL RETAIL CREDIT ASSOCIATION
Shell Building

St. Louis 3, Mo.

Collection Scoreboard

Compiled by the Research Division

March, 1950

March, 1949

CITIES	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						MEN'S CLOTHING STORES						
	1950			1949			1950			1949			1950			1949			1950			1949			
	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	
Atlanta, Ga.	—	—	—	—	—	—	—	—	—	—	—	—	476	485	395	459	475	405	480	484	477	479	494	465	
Baltimore, Md.	509	542	488	512	543	462	198	271	143	241	340	189	469	534	401	492	515	451	450	470	430	456	482	430	
Birmingham, Ala.	518	604	435	530	608	425	193	240	169	253	280	220	528	622	430	457	524	389	520	534	506	539	577	490	
Boston, Mass.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Cedar Rapids, Ia.	588	615	562	586	600	572	205	226	185	280	360	201	—	904	—	—	920	—	—	779	838	720	734	749	719
Cincinnati, Ohio	610	649	552	584	646	474	185	312	135	197	276	134	629	658	600	643	667	619	561	574	549	623	646	600	
Cleveland, Ohio	500	546	451	530	546	457	237	272	196	281	306	234	408	507	309	431	575	331	742	973	511	693	900	485	
Columbus, Ohio	592	673	511	608	660	555	169	308	162	167	285	172	605	620	587	598	605	587	—	—	—	—	—	—	
Davenport, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Denver, Colo.	546	592	439	539	647	487	200	523	139	236	316	230	503	565	442	539	542	535	—	—	—	—	—	—	
Des Moines, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	531	—	—	641	695	563	—	—	559	651	467	—	
Detroit, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Grand Rapids, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Kansas City, Mo.	588	660	487	634	653	597	214	222	195	280	344	228	643	862	531	617	690	463	643	862	531	617	690	463	
Little Rock, Ark.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Los Angeles, Calif.	547	610	472	513	618	528	177	238	159	—	—	—	610	698	514	540	610	531	556	784	530	616	735	483	
Louisville, Ky.	539	557	521	511	516	505	189	194	183	223	227	220	483	526	450	494	563	430	556	632	484	575	674	503	
Lynn, Mass.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Milwaukee, Wis.	562	633	512	587	635	524	171	189	155	253	264	237	625	—	—	629	—	—	598	620	576	605	610	600	
Minneapolis, Minn.	583	598	566	619	695	537	213	233	190	290	310	255	619	650	588	631	660	602	609	755	505	597	695	513	
New Orleans, La.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
New York, N.Y.	509	588	449	449	617	625	457	237	317	142	252	335	190	479	552	454	478	536	456	557	603	512	562	621	504
Oakland, Calif.	610	668	558	623	663	524	182	274	115	237	294	226	617	646	588	609	655	562	538	669	380	550	679	416	
Omaha, Neb.	—	595	—	638	655	620	—	185	—	—	269	—	515	552	473	495	516	473	605	658	552	586	642	530	
Pittsburgh, Pa.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Providence, R.I.	494	550	460	528	636	510	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
St. Louis, Mo.	540	564	526	543	563	523	213	221	204	288	303	273	538	615	429	512	604	446	558	580	532	578	605	546	
Salt Lake City, Utah	656	732	599	689	720	643	210	236	186	298	342	251	—	—	—	—	—	—	483	501	460	560	571	550	
San Francisco, Calif.	554	672	470	544	685	499	211	236	207	296	336	271	507	542	433	463	508	436	530	542	523	541	599	479	
Santa Barbara, Calif.	658	682	620	672	704	640	—	—	—	—	—	—	595	637	512	601	649	530	676	770	612	678	721	620	
Sioux City, Ia.	—	599	—	622	—	—	103	—	—	252	—	560	600	520	605	670	540	—	633	—	—	644	—	—	
Spokane, Wash.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Springfield, Mass.	893	748	637	681	744	618	252	269	235	247	256	237	—	725	—	781	—	—	600	—	—	580	—	—	
Toledo, Ohio	598	600	468	574	576	483	200	214	168	238	273	173	576	643	570	534	664	530	452	515	389	462	514	411	
Tulsa, Okla.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Washington, D.C.	489	563	431	499	550	452	196	242	152	216	245	180	—	—	—	—	—	—	—	—	—	—	—	—	
Worcester, Mass.	542	574	484	549	578	512	277	302	254	367	396	320	524	599	490	540	555	417	—	—	—	—	—	—	
Youngstown, Ohio	—	—	—	—	—	—	—	—	—	—	—	—	651	655	647	746	782	710	—	—	—	—	—	—	
Ottawa, Ont.	498	499	497	558	567	549	240	307	173	232	393	171	—	—	—	—	—	—	—	—	—	—	—	—	
Vancouver, B.C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Victoria, B.C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	

INSTALMENT ACCOUNTS receivable of department stores were down 1 per cent in February, a month of customary seasonal contraction. At the month-end outstanding instalment indebtedness was about one-third larger than on the corresponding date of 1949. Collections on instalment accounts were 4 per cent smaller in February than in the preceding month and, when related to first-of-month accounts outstanding, gave a collection ratio of 17 per cent for February, one point below the January ratio. The current rate of repayment of instalment indebtedness at department stores is considerably slower than a year earlier. Charge accounts outstanding showed a further substantial seasonal reduction in February and at the month-end were only

slightly above the 1949 level. Collections on charge accounts were about one-fourth smaller than in January but about 3 per cent larger than in February last year. These accounts were being collected, on the average, in 63 days in February, about 2 days longer than was required in the corresponding month of 1949. February declines in cash and charge-account sales of department stores were only partially offset by the increase in instalment transactions. The February sales volume repayable in instalments was about two-fifths larger than in the corresponding month last year. Charge-account and cash sales were 4 per cent and 10 per cent, respectively, below year-ago levels.—Federal Reserve Board.

Business Conditions and Outlook

General Business Conditions

Business volume at the beginning of the second quarter of the year is gradually rising, although variations among different industries and among different parts of the country are somewhat greater than usual. Part of the current rise is due to the rebound from the reduced operations last month because of the coal shortage. The general average of all business, which includes retail trade, industrial production, and financial transactions, is a little over 3 per cent higher than it was during the first part of last year. Apart from the effects of artificial interruptions, business is quite stable, and no significant indications have pointed toward any striking modifications in the rate during the next few months.

When comparison is being made with conditions of a year ago, allowance must be made for the fact that last year the general trend was gradually downward during the first six months. The upward trend of recent months has recovered all that decline, although the gains in industrial production have been somewhat less than they have been in other phases of business activity. Sales to consumers are holding up well and, as long as they are favorable, a high level of general business will be maintained.

The largest areas in which the volume of business has increased more than the national average include parts of New England, the Middle Atlantic states, the Southeast, the Southwest, and the Pacific Northwest. In some communities throughout those sections, business volume is as much as 10 per cent higher than it was a year ago. In some regions, as in New England, the favorable comparison is due more to the lower level of a year ago than to any marked advance now. A combination of factors, including the relatively better showing being made by the industries producing consumer goods than by those making capital goods, is responsible for this stability at a high level.

The area in which the least satisfactory showing is currently being made is the industrial region south of the Great Lakes and throughout the coal mining region further south. With the resumption of coal mining and the resulting increase in steel mill operations, considerable improvement can be expected in this territory during the next few weeks. Increased activity in a number of industries producing capital goods, such as machinery and heavy equipment, will help boost the level of general business in many communities.

In the West, the northern half is making a somewhat better showing than the southern part. Here, also, conditions of a year ago are quite as significant in the comparison as are current trends. Last year at this time the southern section was ahead. Most recent reports indicate that some improvement is taking place, and very likely the Map next month will indicate a slightly more favorable shading. Basic conditions are suitable for a continuation of the expansion which has been taking place there.

The trend of business in Canada is a little more favorable than in the United States, although the difference is not great. The area north of the Great Lakes, with respect to industry and agriculture, is the region in which the greatest improvement over last year is currently being made. Work interruptions in industry have been less disturbing to the major industries than they were in the United States. The farming regions of the central and western sections report conditions somewhat less favorable, although activity even there is close to last year's. The outlook for the future is favorable for a continued high level of activity.—*Business Bulletin, La Salle Extension University, Chicago, Ill.*

Consumer Credit

CONSUMER CREDIT outstanding on February 28 is estimated at 18,126 million dollars, 221 million less than at the end of January. The reduction resulted from continued seasonal decline in both charge-account balances and instalment-sale credit outstanding on durable goods other than

automobiles. All other major types of credit expanded during the month. Instalment credit rose 53 million dollars in February to 10,892 million and at the month-end was 2,553 million larger than on the corresponding date of 1949. Automobile sale credit originating at dealers showed a larger increase than in either of the two preceding months. The February gain in this segment was only partly offset by the seasonal contraction in other sale credit outstanding. Instalment loan balances also expanded moderately. Charge-account indebtedness, which is usually curtailed in the early months of the year, was down 8 per cent in February to 3,227 million dollars. The amount outstanding, however, continued somewhat above the 1949 level.—Federal Reserve Board.

Retail Furniture Report

RETAIL FURNITURE store sales in February were 4 per cent larger than in the preceding month and 11 per cent above the volume of a year earlier. Most of the increase during the month was attributable to the 8 per cent expansion in instalment business. Charge-account and cash sales exceeded the January figures by only 2 per cent. Instalment sales, which have been above those of a year earlier for five consecutive months, were one-fifth larger in February than similar transactions in the corresponding month of 1949. Charge-account sales, on the other hand, equaled the year-ago volume for the first time in approximately a year and one-half. Cash sales continued smaller than in 1949. Instalment accounts receivable declined moderately during February but at the month-end were about one-fourth above the amount outstanding a year earlier. Collections also decreased as is usual in February, and the collection ratio remained at 10 per cent. In February, 1949, the ratio was two points higher. Retail value of inventories was built up 5 per cent during the month but on February 28 was 7 per cent smaller than on the corresponding date of 1949. Stock on hand represented about five months' supply at the February rate of sale as compared with nearly six months' supply a year earlier.—Federal Reserve Board.

Consumer Instalment Loans

AT THE END of February consumer instalment loan balances of the principal types of lending institutions were estimated at 3,734 million dollars, a net gain of 16 million during the month. Increases reported by commercial and industrial banks and credit unions were partially offset by declines at the other two types of lender. At the end of the month the total amount outstanding was about 18 per cent larger than a year ago. Loan volume during the month was approximately 2 per cent smaller than in January, but continued substantially larger than a year earlier.—Federal Reserve Board.

Retail Instalment Credit at Furniture and Household Appliance Stores

Instalment indebtedness carried on the books of retail furniture stores showed a further slight decline in February but continued more than one-fourth larger than in the comparable period of the preceding year. Instalment accounts outstanding at household appliance stores on February 28 amounted to about the same as at the end of January. Over the year-period, however, such accounts receivable have increased by nearly two-fifths. Collections on furniture store instalment accounts were well maintained in February. During the same period household appliance stores reported some slackening in the rate of repayment. Instalment accounts of both types of outlet were being liquidated at a considerably slower rate than in the early months of 1949.—Federal Reserve Board.

LOCAL ASSOCIATION *Activities*



Baltimore, Maryland

At the annual meeting of the Retail Credit Association of Baltimore, Baltimore, Md., the following officers and directors were elected for 1950: President, John J. Lurz, O'Neill & Co.; Vice President, Fred W. Ellinghaus, The May Co.; Treasurer, Robert L. Bruchey, The Hub; and Secretary, Charles F. Roycroft, Credit Bureau of Baltimore. Directors: Robert L. Carmichael, Gomprecht & Benesch; E. E. Coles, Brager-Eisenberg; Joseph F. Lynch, Provident Savings Bank; H. Lee Muse, Cons. G. E. L. & P. Co.; Mrs. E. S. Reed, Stewart & Co.; Paul E. Ross, Isaac Hamburger & Sons; and Charles E. Merit, Wonder Clothes.

Houston, Texas

The Houston Retail Credit Association has elected the following officers and directors for the coming year: President, Sam W. Tigner, Medical and Dental Service Bureau; First Vice President, E. E. Frey, Sanitary Farm Dairies; Second Vice President, Ross Sandal, Westheimer-Hudson Furniture Co.; Treasurer, W. H. Pugh, Union National Bank of Houston; and Secretary, Larry Newton, Rolle, Jewett and Beck. Directors: Collis P. Haynes, United Gas Corp.; A. O. Foster, Magnolia Petroleum Corp.; Grace Winn, Winn Employment Agency; Robert W. Rand, Battelstein's; Alberta Sharp, The Houston Clinic; Joe Pollak, L. Lechenger Jewelry; Oscar C. Faulkner, The Fashion; and Jack Clemens, Cargill Co.

District Six at Minneapolis

At the annual meeting of District Six held in Minneapolis, Minn., the following officers and directors were elected for 1950-51: President, Elmer G. Nordstrom, Peterson-Harned-VonMaur, Davenport, Iowa; Vice President, Fred S. Aldrich, Continental National Bank, Lincoln, Neb.; and Secretary-Treasurer, O. J. Van Lander, John W. Thomas Co., Minneapolis, Minn. Directors: Bert King, Roberts Dairy, Sioux City, Iowa; Hans Farver, French-Basset & Scott, Duluth, Minn.; Robert Praska, Praska Jewelry Co., Cedar Rapids, Iowa; Dan Weber, Golden Rule, St. Paul, Minn.; Gladys O'Donnell, Herzberg's, Omaha, Neb.; Jeanette Midgorden, Register & Tribune, Des Moines, Iowa; Marian L. Arneson, Fargo Clinic; John Hickey, Personal Finance Co., Davenport, Iowa; and Marjorie Girton, Quaal Lumber Co., Des Moines, Iowa. All past presidents of the district now become permanent members of the Board of Directors.

District Seven at Little Rock

At the annual conference of District Seven held in Little Rock, Ark., the following officers and directors were elected: President, Earl Beard, National Bank of

Tulsa, Tulsa, Okla.; First Vice President, Chester W. Larson, Merchants National Bank, Topeka, Kan.; Second Vice President, Kenneth Oetzel, Boyd-Richardson, St. Louis, Mo.; and Secretary Treasurer, Mrs. Frances R. Smith, Hunt Dry Goods Co., Ft. Smith, Ark. Directors: Harry Taylor, Beatrice Foods, Tulsa, Okla.; Wayne Pendergast, Muellers Flowers, Wichita, Kan.; Elton L. Jordan, Oklahoma Gas & Electric Co., Ft. Smith, Ark.; Tony Eisenbach, Dockum Drug Co., Wichita, Kan.; Galen Longnecker, Newman's, Joplin, Mo.; E. G. Reid, Dock & Bill Furniture Co., Oklahoma City, Okla.; Bruce Brown, McWilliams Hardware Co., El Dorado, Ark.; and Don Faulk, Kline's, Kansas City, Mo.

Billings, Montana

The new officers of the Retail Credit Association of Billings, Billings, Montana, are: President, Wm. H. Harris, Jr.; Vice President, P. T. Westbrook, Billings Electric Supply Co.; Treasurer, Arnold Hammer, Midland National Bank; and Secretary, K. J. Dugan, Credit Bureau of Billings.

Walla Walla, Washington

The new officers and trustees of the Walla Walla Valley Merchants Association, Walla Walla, Washington, are: President, Clair Hobkirk, Perfection Cleaners; Vice President, Louis Pifer, Jones-Scott Co.; and Secretary, H. E. McGahey, Walla Walla Credit Bureau. Trustees: Lloyd Mahan, Mahan Fuel Co.; Myron Jacobson, Garden City Furniture Co.; Al Kaseberg, Drumheller Co.; A. J. Naimy, Naimy Furniture Co.; William Beaver, Model Grocery; and Lowell Yeend, Fairway Finance Co.

Retail Credit Association of Triple Cities

The 1950-51 officers and directors of the Retail Credit Association of Triple Cities (Binghamton, Johnson City and Endicott, N. Y.) are: President, D. Douglas Humphries, Chas. D. Humphries Service Co.; First Vice President, Edward E. Rogers, Fowler, Dick & Walker; Second Vice President, A. J. Harter, Binghamton Standard Materials Co.; Treasurer, Alton P. Lewis, Endicott Trust Co.; Recording Secretary, Mrs. Alice Brown, D. L. & W. Fuel & Supply Co.; and Corresponding Secretary, Donald Thomas, Credit Bureau of the Triple Cities. Directors: J. S. Dacey, Ellis Bros. & Joseph; Charles Whalen, T. Grant Co.; Ruth Buckley, Olum's of Binghamton; Chester Kulp, Friendly Finance Corp.; Henrietta Space, Resnick's of Binghamton; Thare Van Schaick, Binghamton Slag Roofing Co.; Mrs. Beatrice Gumble, The Burt Co.; J. P. Bergin, Sullivan Bros. Furniture Co.; and Kenneth W. Dunn, H. T. Hunt Co.

In The NEWS



IT IS REPORTED in well informed circles in Washington that there is a strong movement under way to get the President to nominate to the Federal Reserve Board a representative of the consumer credit field.

* * *

MILADY OUTSPENDS men \$208.80 to \$145.60 each year on clothes, according to a per capita report given at a meeting of the National Association of Retail Clothiers recently. Two-thirds of the clothing is bought by one-fourth of the persons who are in the \$4,000 to \$10,000 income group.

* * *

IN 156 YEARS, up to 1945, Federal expenditures were \$179 billion. From 1945 to 1950, Federal expenditures were \$191 billion. One dollar out of every \$3.50 you earn goes for Federal, state and local taxes.

* * *

TREASURY FIGURES on E bond sales show that every month from July 1948 through August 1949 total sales exceeded redemptions. In the 18 month period starting with January 1947 through June 1948, redemptions exceeded sales in 12 of those months. Apparently the threat of unemployment, coupled with high prices, has made people cautious in their expenditures.

* * *

A JEWELLERY retailer in Canada believes that a rather unusual three-way bonus paid at quarterly intervals throughout the year is of real value. He pays \$10.00 every three months to all store employees who have been on time for their work during that period and who have not been absent save for serious sickness, in which case a doctor's certificate must be presented. He reports that many employees take the day off now and then for no good reason and it is difficult to obtain replacements on the spur of the moment. This small bonus keeps the employees on the job permanently and not in a will-o'-the-wisp fashion.

* * *

A LARGE DEPARTMENT store in Pennsylvania has reported that it has increased the efficiency of the physical layout of its credit department as a result of a survey made by an engineering concern. Specific problems encountered in the credit department of the store were: wasted time as a result of extra steps, both in actual walking and in methods; crowded conditions with no room for interviewers and supervisors to work, and the desirability of holding down costs. Actually, many of the improvements will pay for themselves within a year's time through savings in labor.

* * *

IN 2049, according to Dr. Harold G. Moulton, the United States will be able to support 300 million people on a scale 8 times better than we live today, provided our present individual enterprise system is kept intact.

* * *

COLUMBIA UNIVERSITY psychologists have established that while the most efficient age for learning is between 14 and 25, thereafter, your ability to absorb new information decreases only one per cent per year. At 45, you are still able to learn more than you could before the age of 14. Even at 65, you still can absorb knowledge half as fast as you could when you were 25.

* * *

96 OUT OF 100 people applying for life insurance pass the medical examination.

* * *

AT THE END of 1948 there were 9,329 credit unions having 3,750,000 members. Their assets amounted to more than \$700 million and loans exceeded \$600 million.

* * *

THE NUMBER OF women holding government jobs is slowly decreasing, the Civil Service Commission reports. The peak of women employed by the federal government was reached in July 1944 when of the 2,941,000 civilian

employees, 1,106,000 were women. By last January 1, the federal payroll was down to 1,828,000 and of these, 408,000 were women. However, in June 1941, 19 per cent of the jobs were filled by women, while in January 1, 1950, they held 22 per cent.

* * *

ALMOST HALF the states depended upon sales, use and gross receipts taxes for their single source of revenue in 1949, according to Commerce Clearing House. No state depended upon the traditional property tax for its major source of revenue, however, property taxes continued to be the chief revenue producer in the District of Columbia.

* * *

THE COMMERCE DEPARTMENT has disclosed that corporations in the United States paid cash dividends of \$6,495,800,000, in 1949, the largest amount in history. The total amount was 7 per cent more than the 1948 dividend payment of \$6,093,700,000.

* * *

PROFESSOR Sumner H. Schlichter, noted Harvard economist, predicts that by 1980 the United States will have a population of 175 million, a working force of 72.5 million, an output of goods and services amounting to \$416 billion, and a 30-hour week.

* * *

ONLY FOUR categories of independent retail stores did better business in 1949 than they did in 1948, according to the Commerce Department. These, with their percentage gain over the previous year, are: motor vehicle dealers, 14; radio and musical instruments, 10; optical goods stores, 2; and milk dealers, 1.

* * *

LACKADAISICAL hiring despite warnings seems still to be running rampant. The Metropolitan Life Insurance Co., recently conducted a survey asking whether companies obtain all references prior to hiring applicants. Only 18 of those surveyed did so; 26 said that they ask the employee to sign an agreement that employment is subject to references being found satisfactory.

* * *

AN INCOME of \$1,635.00 offers few frills. It requires between \$1,440.00 and \$1,830.00 a year to keep an elderly couple going, depending upon the regional location, according to the Federal Security Agency. Figures are based on living costs in 13 major cities. Houston's living costs were lowest, and Washington's highest. New York is the second costliest city, the budget being estimated at \$1,780.00.

* * *

THERE IS A \$58 billion guaranteed credit potential underlying today's economy. This is the untapped part of credit guarantee set up in the GI Bill of Rights. Add credit that lending agencies might advance above the guaranteed portion and you can double that figure. So far fewer than 2 million World War II veterans have bought homes, farms or financed businesses with loans guaranteed, at least in part, by the Veterans Administration. This means that there are 14,500,000 vets still eligible to get them.

* * *

NEARLY 60 PER CENT of the recently adopted pension plans have been on a joint contributory basis, according to a survey just completed by the National Industrial Conference Board. The 255 companies included in the surveys employ 1.5 million workers.

* * *

IT SEEMS that one can hardly read anything on consumer credit these days without seeing that the Federal Reserve Board is watching very closely the weak term advertising and practices that have sprung up in certain parts of the country. Apparently the spread or growth of such conditions will be used as an argument for the return of government controls or at least the power to reinstate them at any time they feel it necessary.



A Message From the President

MY TERM of office as President of the National Retail Credit Association is drawing to a close, and at the Annual Conference at Cincinnati, in June, my successor will be elected. It has been an inspiration and a privilege to have had the experience of heading this international organization of well over 26,000 members.

Our Association continues to grow in size and influence. Retail credit executives are increasingly recognizing the need and benefit of cooperation. As the tempo of the times changes it is vitally important that all of us obtain the maximum gain from close contact with others in our profession.

During the year I have been in constant touch with our General Manager-Treasurer, Lindley S. Crowder, and I owe much to him for his sympathetic and patient cooperation and guidance in carrying out the duties of my office. His leadership and vision are important factors in the growth and significance of the Association.

The CREDIT WORLD, under the inspired and energetic direction of Arthur H. Hert, has reached new heights in fulfilling its function as the only publication devoted exclusively to retail credit matters and as the credit granters' monthly authoritative guide and inspiration.

Our objective of furthering credit education has been kept in the forefront of our efforts during the past year. With the publication of the new book by Dr. Phelps, and the addition of Leonard Berry to the staff, as well as the increased number of Credit Schools, this essential matter of credit education has been advanced.

Comparatively few of the members realize the great amount of detail work that is required of our national office staff and the competence with which these multitudinous matters are accomplished. The Association is fortunate in having such a well-knit and loyal office force and our appreciation is due them.

It was in my home city of Spokane, Washington, that the National Retail Credit Association was founded in August, 1912, and I feel particularly proud of being President in its 38th year of existence. The vision of a small group of founders has been amply justified. The glorious past of the Association promises an even more brilliant future. However, while we are proud of our accomplishments, we must set our hearts and minds on rising to even greater heights and fulfilling our larger destiny.

May I offer to the Officers, Directors, Committee members and all who have contributed to make this year of my presidency a memorable and significant one for me, my grateful and sincere thanks.


R. T. Schatz, President
National Retail Credit Association

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